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Russian, NATO Misperceptions Continue

95UM0586A Moscow SEGODNYA in Russian
18 Aug 95 pp 1, 3

[Preface and article by Pavel Felgengauer: "The Russian Army and the East-West Military Balance: Self-Deception and Mutual Misunderstanding Did Not End With the Cold War"]

[FBIS Translated Text]

Political Censorship in Brussels

At the start of the year the military-political journal NATO REVUES commissioned from me an article on problems of cooperation between Moscow and the alliance, but subsequently did not print it. A common occurrence. But during a visit to Brussels this summer a very high-ranking official in NATO explained to me that the decision to lift the article had been made by Willy Claes, secretary general of the alliance, personally, because "it was decided in his circle that the publication of the article was inopportune." Peter Jenner, chief editor of NATO REVUES, assured the author here that he had very much wanted to publish the article, but "politics prevented it." Chief editors do not decide everything in the West either, seemingly, particularly if all-powerful secretary generals and their authorized T/O&E staff are in the vicinity.

The convergence of the two systems and the similarity of the modus operandi of the bureaucratic machinery of any secretary general in any country of the world (Willy Claes is, ultimately, a former Marxist) might be found astonishing. But such brazen top- level political censorship in a "democratic" Western alliance evokes justified suspicion of the entire much-vaunted policy of partnership with former adversaries. The West, evidently, is simply not interested in an equal dialogue with Moscow. The NATO partners have no interest in others' opinions. It is required of Moscow merely that it agree with everything and fulfill all that has been assigned to it. It would seem that the West not only does not understand what is actually happening in Russia but is actively unwilling to understand.

The rejected article, incidentally, is devoted to the threat of the mutual misunderstanding of the former adversaries.

In his annual address to the Federal Assembly on 16 February 1995 President Boris Yeltsin acknowledged that "the reform of the armed forces is proceeding unsatisfactorily" and promised in 1995 to adopt decisive measures to reorganize the armed forces and other troops.

On 23 February 1995, Defender of the Fatherland Day, the president publicly and absolutely clearly made it understood that he considers the situation in Russia's armed forces extremely unfavorable. Boris Yeltsin said plainly that "the army is beginning little by little to come apart—the conflict in Chechnya has persuaded us once again that we are behind with reform in the army."

Thus the winter campaign in Chechnya made obvious for society and the government what specialists had been well aware even earlier—Russia's armed forces are in a state of profound crisis. Urgent measures to accelerate military reform are, according to the president, to be a basic national priority of 1995.

What Happened to the Great and Formidable Red Army?

The bloody fighting in Chechnya between the Russian Army and the Chechen separatists evokes in any normal person an entirely natural revulsion, like any other modern war in which more civilians than soldiers die. But the Chechen war has also astonished many specialists, particularly in the West. No one, it seemed, was expecting that the Russian Army would fight so poorly and that the best, elite units would take almost two months to take the city of Groznyy and, what is more, that actual victory in this engagement would by no means end the war in the Caucasus. Is this the same army whose totally shattering invasion West Europeans were anticipating with horror for more than 40 years?

In the fifties, sixties, and seventies the Soviet Army was dominant in Europe. It is obvious that in the mid-seventies also, when the Americans were recovering following Vietnam, the Red Army truly was the strongest in the world. But since then it has become weaker, whereas Western armies have accomplished a technological spurt into the era of smart, precision weapons. In the latter half of the eighties the Soviet Army lost its unconditional superiority in the air even in Afghanistan, which is far removed from Central Europe, inasmuch as it was unable to quickly find an effective antidote to the American Stinger portable air defense missiles.

The armed forces of the eighties were, as in previous years, a classical mass army—a copy of the great army which had been victorious in the tank engagements of World War II. Soviet military academies taught that a massed assault of thousands of tanks would bring victory. The remaining branches of the services would perform an auxiliary function—aircraft and helicopters would cover the tank armadas from the air and pave the way for them with bomb assaults and ground attack, the navy would cover the sea flanks, and paratroops would disorganize the enemy rear, but tanks would have

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the main role. Our generals are still sure that armored divisions are the all-destroying and invincible god of war.

As a result all too many obsolete tanks were accumulated in the Russian Army in the long years of the Cold War, and there is practically no well-trained infantry. Practically all the men and officers in all the airborne divisions, even in the elite divisions, and in the marines are former 18- to 19-year-old recent-graduate conscripts. Except, naturally, for a certain number of contract soldiers, who in the majority of cases are, as the example of both Chechnya and Tajikistan has shown, even less performance-capable than the conscripts.

Moscow has always endeavored to have the maximum army in terms of numbers for the minimum price. But the General Staff has understood that a regular army of 18- to 19-year-old conscripts cannot hope to be successful in a serious modern war. Only following the mobilization of 20- to 40-year-old reservists could the Soviet Army bring its reduced peacetime divisions up to full strength. A partial mobilization of reservists was undertaken at time of the invasion of Afghanistan in December 1979 and during the commitment of Soviet troops to Baku in January 1990, but the results were in both cases disturbing. The reservists were not prepared for combat operations.

General Mikhail Kolesnikov (chief of the General Staff and General Pavel Grachev's first deputy defense minister), who has extensive experience at conducting mobilization exercises, told your SEGODNYA correspondent two years ago that the reservists need three months of concentrated retraining before they can be sent into battle. Now, in 1995, this length of time has, obviously, increased to six months, at a minimum, inasmuch as Russia has since 1991 completely terminated military courses for the retraining of reservists. The army does not have the money for this.

As a result, in the three years that have elapsed since the disintegration of the Soviet Union, the Russian Army has ceased to be a classical mobilization army such as the European armies of the end of the 19th through the first half of the 20th centuries. But at the same time it has simply not become a modern professional army.

This is why Russian troops performed so unsuccessfully during the winter campaign in Chechnya. The elite airborne divisions are officially considered the sole forces in the Russian Army that are suitable for operational use in peacetime (without mobilization). The combined airborne units are today at better manning levels than any others—85 percent—but, nonetheless, it was composite battalions of airborne troops, hastily put together, that fought in Chechnya, all the same. General Yevgeniy Podkolzin, commander of airborne forces, explains that no more than one-third of the available personnel can realistically be sent into battle. The rest train the reinforcements, support the operation of the military bases, and guard the stores or have only just been called up and do not know how to do anything. Naval officers urgently taken from warships and lacking any serious infantry training fought in the marine battalions in Chechnya in the winter of 1995. There are no professional NCO's in the Russian Army. Nineteen-year-old conscripts are serving as NCO's.

Assessment of the Actual Military Threat in Europe

The troubles of the Russian Army did not begin yesterday, for that matter. The Soviet Army in the eighties was by no means as strong as it appeared on paper, when the West and the East compared the numbers of tanks and cannon tubes of NATO and the Warsaw Pact in Europe. The actual military weakness of the Soviet Union was Moscow's most important secret, which Western intelligence never was able to uncover. Mainly, probably, because the Western intelligence services simply did not want to know anything about this. The fearsome Russian bear contributed for 40 years to the unity of the West and helped Western professional military personnel and spies to inflate the defense and intelligence budgets.

Having once started to lie, Western generals and representatives of the special services simply could not then stop—any serious reassessment of the extent of the military threat from the East would have required extremely awkward explanations as regards the previous declarations, would have signified a winding down of military programs, and would altogether have been a real catastrophe for the military and military industry. As a result the reports pointed year after year to a significant annual strengthening of the Red Army, and everyone who disagreed with this was accused of being a secret agent of Moscow or, at best, a communist "fellow traveler".

The deception was mutual, of course. Soviet generals also very heavily exaggerated the military threat. A former high-ranking officer of a General Staff directorate in Moscow, who asked not to be named, told me that in the eighties the General Staff built its plans for a possible war based on the fact that, following a three-month mobilization, the NATO countries together with Japan, China, and other probable enemies could concentrate against the USSR and its allies up to 800 armored and motorized infantry divisions, whereas we had put together barely 200. It was to forestall the fielding of superior enemy forces in Central Europe that Moscow planned an accelerated switch to active operations, employing for an assault on the West an armored strike

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force massed in Germany. Soviet generals reported absolutely officially to the Politburo here, according to the same source, that the forward armored divisions would reach the Channel in 24 hours.

Our army's unsuccessful campaign in Afghanistan, however, sowed certain doubts as regards the real strength of the Red Army, if not in the West, then in the General Staff in Moscow. Certain high- ranking General Staff GRU officers attempted in the eighties to prove to the Soviet top brass and the CPSU Central Committee Politburo that our army was insufficiently performance-capable and that the 100,000 tanks that the Soviet Union and its allies had manufactured in the years of the Cold War would be unavailing were the USSR really to start an invasion of West Europe. The Soviet tanks would probably have burned foolishly in the cities and on the roads of Germany also, as they did in the winter of 1995 in Groznyy. Our troops not only would not have reached the Channel but would, most likely, have been halted and smashed on the approach to the Rhine even.

Seeking revisions to military doctrine, the GRU officers presented calculations that proved that Germany's road system was simply not in a condition to carry so many armored and motorized divisions, even if the enemy were to put up no serious resistance. The gasoline tankers and munitions trucks, which could not travel on bad roads, would break up all the autobahns, and the offensive would end in catastrophe. But no one was about to listen to them—they were simply discharged from the army. Top commanders in Moscow were unwilling to answer awkward questions. Neither the army nor the military-industrial complex nor the Politburo rulers had any interest in realistically assessing NATO's possibilities and intentions or in comparing with them the actual possibilities of their own military machine either. To all the objections our generals had a single response: "If we encounter en route to the Channel the least obstacle, we will use tactical nuclear weapons."

Now, in the mid-nineties, we can conclude that the overall assessment of the military threat in the Cold War years was fundamentally wrong. The actual conventional military threat to the NATO countries was considerably less than supposed, whereas the nuclear threat was considerably greater. In addition, the West was entirely wrong in its assessment of the USSR's intentions. There was in reality in Moscow a panic fear of NATO and a possible war. The military preparations in the center of Europe were more a manifestation of fear, not preparation for aggression. What is more, it was fear and the panic caused by it at the top that could have been the main cause of a nuclear war.

The strategic errors of both parties, which could have provoked a nuclear war in Europe, have yet to be a subject of serious public analysis. And this is a bad sign. The end of the Cold War does not preclude new strategic errors—a mistaken assessment of states' intentions and possibilities both in East and in West Europe.

Cooperation Prospects, Reform of the Russian Army, and NATO Enlargement

It is perfectly obvious that the Russian Army's present conventional weakness is not a chance phenomenon connected only with the inadequate general imagination and insufficient combined-arms staff professional training of General of the Army Pavel Grachev, minister of defense. The main problems of the Russian Army are well known—the shortage of apartments for the officers; the inadequate pay and lowly prestige of the professional military in society; the insufficient number of conscripts and the surplus of obsolete hardware in the forces; the absence of modern computers, communications facilities, and night vision and target designation instruments and also the absence in the military budget of monies for accelerated reform and modernization.

But the majority of these problems already existed at the start of the eighties, prior to the "perestroyka and glasnost" era. The social, economic, and political crisis in Russia linked with the fall of communism and the collapse of the Warsaw Pact and the USSR only intensified the crisis of the army that had begun earlier.

For this reason President Yeltsin's statement in his annual address to parliament of 13 February 1995 that "realization of the planned measures in the defense sphere will be the basis of the creation of a highly performance-capable army of the Russian Federation—relatively small and of sufficient strength levels in terms of personnel and modern arms"—seems unduly optimistic, especially if he is talking about 1995 or the coming years generally.

In order for the present performance-incapable, discontented, and inadequately manned Russian Army to become performance-capable, professional, replete, and content it will be necessary to reduce the inordinately large number of divisions, close down a considerable number of unnecessary military bases, liquidate tens of thousands of units of surplus military equipment and hundreds of thousands of tonnes of munitions, dismantle old nuclear submarines, discharge thousands of officers (having provided them with apartments), and close down many military schools or recast them for the graduation of professional sergeants and other NCO's. It will be necessary, most likely, to increase the draft and the duration of compulsory military service, even if the con-

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scripts serve only as privates, as in the Bundeswehr, for example.

In addition, at the start of the next century Russia will be forced to embark on the costly rearmament of its army with modern conventional weapons. Otherwise, despite the organizational changes, the Russian Army will remain an insufficiently performance-capable third world army.

Thus many years of effort and considerable expenditure will be required in order to truly reform and modernize the Russian Army, simultaneously creating in the country a free civil society. But a substantial majority of Russian society, except for the few supporters of accelerated authoritarian remilitarization, does not as yet see any need to make sacrifices for the sake of the new deployment of a mass army. There is not in Russia at this time a perception of an immediate external military threat. Despite the fact that a majority of seats in the Russian Parliament is held by pro-communist and nationalist factions, the Ministry of Defense was unable during discussion of the budgets for 1994 and 1995 to achieve some in any way appreciable increase in the defense budget.

Now many Russian generals, particularly those who want not so much to reform the army as to reconstitute the "big" army of the Soviet model, are looking hopefully to the West. If Brussels really does decide in the very near future to accelerate NATO's expansion eastward, this could change the mood in society. An external threat would make additional military spending more popular. In addition, the 1990 Treaty on Conventional Armed Forces in Europe (CFE) would become completely meaningless since the formal balance of heavy conventional arms between NATO and the countries of the former Warsaw Pact would be completely upset by the alliance's expansion eastward.

Russia would primarily avail itself of this pretext to "suspend" compliance with the requirements concerning flank limitations in accordance with the CFE Treaty inasmuch as they violate its national interests appreciably as it is. More than 1,000 tanks, infantry fighting vehicles, and armored transport vehicles took part in the operation to eliminate the "illegal armed elements" in Chechnya, which is roughly equal to the entire flank quota for both the Caucasus region and the Leningrad Military District.

The fighting in Chechnya should have shown all skeptics that the actual offensive possibilities of the modern Russian Army are the equivalent of zero. Those who were justifying the need for the speediest incorporation of the East European countries in NATO by the "threat from the East" are today looking pretty silly. The Russian Army is simply not in a position to threaten anyone, even if it wanted to.

In the next 10-20 years the Russian Army will be relatively weak, whatever political forces come to power in the Kremlin. Even if a mass army is fielded once again, it will be merely a pale shadow of the Soviet Army of the start of the eighties inasmuch as it will, for the most part, be armed with those same weapons, even more obsolete in 10 years' time.

But Russia is still a nuclear superpower, and the weaker its conventional possibilities, the more Moscow will be forced to rely on nuclear deterrence.

The war in Chechnya has shown that the Russian Army could easily suffer defeat in a local conflict in the Caucasus or in Central Asia. The political and military consequences of such a defeat could prove wholly unacceptable to Russia, and a direct threat to use nuclear weapons or even a limited "demonstration" nuclear strike could for this reason suddenly become the last realistic possibility of winning or evening up a war that has been lost, although no one in Moscow is seriously planning such actions at this time, of course.

There are forces in the West that have an interest in the continuation of a certain strain in relations with Moscow insofar as the "Russian threat" helps maintain defense spending and justify new arms purchases and contributes to the allocation to research centers of government and private grants. But the process of "constructive pressure" on Moscow could bring about an uncontrollable chain reaction. The West's strategic assessment of Russia's possibilities and intentions is not distinguished today, just as in the times of the Cold War, by particular accuracy. Today Russia is weaker than ever, and for this reason the likelihood of panic in Moscow is greater than in the seventies or eighties. This, incidentally, was shown by the business of the Norwegian research rocket launched in February 1995, when the entire retaliatory nuclear strike decisionmaking system, the president himself included, was activated.

A priority of NATO in the next few years should be not an aspiration to an immediate expansion eastward, which could be postponed until the start of the next century without any detriment to the security of the East and Central European countries, but efforts to involve the Russian Army in a system of real cooperation which is to its advantage. Only under these conditions may there be any certainty that army reform will not lead to the remilitarization of Russia. The West should attempt to help Russia overcome the crisis of the conventional (nonnuclear) possibilities of its army, which is dangerous for it and for the whole of the rest of the world. That is, simply put, devise

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a program of cooperation with the Russian military-industrial complex and of direct assistance to Russia in the rearming with modern weapons of its ground divisions inasmuch as only an appreciable strengthening of the Russian army could reduce the likelihood of a local nuclear war in Europe or Asia.

And these programs should be such, what is more, that Russian generals consider them beneficial and fair. The enlistment of Russian defense firms, say, in joint programs of the creation of new weapons systems for the armies of the NATO countries, East Europe, the CIS, and Russia. Many of the present proposals within the framework of the Partnership for Peace are only causing irritation in the General Staff in Moscow. Russian generals see no point in sending their units to conduct joint peacekeeping exercises in Poland or Germany and spending on this a pronounced part of a highly limited defense budget when they are faced with other, entirely real, military assignments.

The talk about strategic partnership should be replaced by something more material. Only then may Europe in the 21st Century become a comparatively safe continent.

***Text of U.S.-Russian Customs Agreement**

954Q0269A Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian Jun 95 No 6, pp 119-125

[Agreement between the Government of the Russian Federation and the Government of the United States of America: "On Cooperation and Mutual Assistance in Customs Matters"]

[FBIS Translated Text] The Government of the Russian Federation and the Government of the United States of America, henceforth referred to as the "Parties,"

proceeding from the fact that violations of customs legislation inflict detriment upon the economic, social and tax interests of their countries, the health of the population, as well as the lawful interests of trade;

taking into consideration the importance of ensuring accurate computation of customs duties and other fees collected during import or export of goods, as well as proper adherence to conditions of prohibition, limitation and control;

recognizing the need for international cooperation in questions of fulfillment and provision for adherence to the customs legislation of their states;

believing that the efforts to prevent violations of customs legislation and ensure cproper collection of import and export duties may become more effective by means of cooperation between the customs services, and

taking into consideration the Recommendation of the Council on Customs Cooperation on Mutual Administrative Assistance dated 5 December 1953, as well as the obligations under multi-lateral agreements such as the Vienna Convention of 20 December 1988,

have agreed to the following:

Article 1. Definition of terms

For purposes of the present Agreement:

1. "Customs legislation' shall be understood to mean the laws and rules whose adherence is ensured by the customs services during import, export, transit or turnover of goods, in that measure to which they relate to the collection of customs duties, taxes and other fees, or to prohibitions, limitations or other analogous measures associated with movement of controlled or prohibited goods across state boundaries.

2. "Customs service" shall be understood to mean: In the Russian Federation—the State Customs Committee of the Russian Federation; in the United States of America—the Customs Service under the Department of Finance of the United States of America.

3. "Legal violation" shall be understood to mean any violation of the customs legislation, as well as any attempt at violation of such legislation.

4. "Person" shall be understood to mean any individual or legal entity.

5. "Property" shall be understood to mean assets of any sort, movable or immovable, material or non-material, as well as legal documents or statutes certifying the right to such assets or to participation in them.

6. "Arrest" or "freezing" shall be understood to mean the temporary prohibition of transfer, conversion, placement or movement of property or temporary placement under arrest or assumption of control over property on the basis of ruling of the court or some other competent organ.

7. "Confiscation" shall, in appropriate cases, include seizure, and signifies ultimate deprivation of ownership at the decision of the court or other competent organ.

Article 2. Sphere of effectiveness of Agreement

1. The parties, through the customs services and in accordance with the statutes of the present Agreement, shall provide mutual assistance to each other in preventing, investigating and curtailing any legal violation.

2. The parties shall confirm their adherence to simplification of the lawful movement of goods and individuals, and shall, by mutual agreement between their customs

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services, take measures to improve the customs systems, methods and procedures for achieving this end in accordance with the principles of the present Agreement.

3. Assistance provided by each customs service within the scope of the present Agreement shall be implemented in accordance with the legislation of its state.

4. The present Agreement is intended solely for providing mutual aid to the Parties. The principles of the present Agreement do not create for any person the right to receive, hinder the application of or repeal any proof or to hinder the fulfillment of a request.

5. The present Agreement does not limit the effective practice of the Parties providing mutual assistance to each other.

Article 3. Forms of cooperation and mutual assistance

1. Assistance provided in accordance with the present Agreement shall include the exchange of information necessary for ensuring adherence to the customs legislation and for the correct computation of customs duties, taxes and other fees. Such information, granted at the initiative or at the request of any customs service, in the appropriate cases, may include but not necessarily be limited to:

a) measures which may be used for preventing legal violations, and specifically the application of special means of combatting legal violations;

b) new methods used for committing legal violations;

c) results of observations and discoveries obtained as a result of successful application of new means and methods of combatting legal violations, and

d) technology and improved methods of conducting customs control of goods and individuals.

2. Assistance specified in point 1 of the present article is provided for use in all types of investigations, be they judicial or administrative, or in conducting examinations. Such assistance includes, but is not limited to, investigations in regard to classification, cost, origin and other characteristics of goods related to the application and provision of adherence to customs legislation, and investigations associated with imposition of fines, collection, confiscation and compensation of losses.

3. The parties, through their customs services, cooperate in:

a) planning, development or improvement of specific programs on cadre training;

b) establishing and maintaining channels of communication between customs services for the purpose of ensuring confidential and rapid exchange of information;

c) implementing effective coordination between customs services, including exchange of associates and experts, and establishing duties of communications officers;

d) exchange of information and experience concerning the verification of new equipment and procedures, and

e) any other general questions of an administrative character which may require the performance of joint actions.

Article 4. Specific cases of mutual assistance

1. Each customs service, upon request, provides the other customs service with information about whether goods brought in from the territory of the state whose customs service makes the request were lawfully brought onto the territory of the state whose customs service received the request, and to what customs procedure, if any, these goods were subjected.

2. Any customs service, at the request of the other customs service, performs special monitoring of:

a) means of transport which are suspected of being used in performing legal violations on the territory of the state of the other customs service;

b) goods which are defined by either customs service to be the objects of significant unlawful movement for the country of origin or for the country of destination of the goods, and

c) individual persons in regard to whom the customs service making the request has suspicions or information regarding their commission of a legal violation.

3. The customs services, by mutual agreement, at their own initiative or by request, provide each other with available information regarding:

a) persons, goods or means of transport in regard to whom there are suspicions or information about involvement in legal violations or activity which may lead to legal violations on the territory of the state of the other customs service;

b) actions planned or committed which comprise or may comprise legal violations in regard to goods which have especially important significance, a list of which shall be determined by means of consultation between the customs services.

In cases which may inflict significant detriment upon the economy, the health of the population, the public

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safety or other vital interests of the state of the other Party, the customs services, whenever possible, provide such information without being requested to do so.

4. Customs services may, by mutual consent and agreement, allow under their control the import, export or transit through the territory of their states of goods which have been involved in illegal circulation, for the purpose of curtailing such unlawful circulation.

3. The Parties shall:

a) cooperate with each other in investigations, including the imposition of arrest, freezing or confiscation in regard to property and income associated with the violation of customs legislation, as well as the implements for committing such violation;

b) manage property, income or implements for committing legal violations confiscated as a result of provided assistance specified by the present Agreement, in accordance with the state legislation of the Parties under whose control this property, income or implements are held, and

c) permit any customs service to hand over, on agreed-upon conditions, confiscated property, implements for committing legal violations, or income from their sale, which may be handed over to the other Party in accordance with the state legislation of the Parties.

Article 5. Cases and documents

1. The customs services provide each other, upon request, with documents, including reports, protocols, statutes and other proof, or with copies of documents containing all the available information on actions being planned or performed, which comprise or may comprise legal violations.

2. The customs services provide each other, upon request, with documentation relating to the transfer or shipment of goods, with indication of the cost, location and point of destination of these goods.

3. The original copies of cases, documents and other materials are requested only in cases when submission of certified copies is insufficient. Copies of such cases, documents and other materials may be duly certified upon special request.

4. Transferred originals of cases, documents and other materials are returned at the first opportunity: In this case, the rights of the requesting Party or third parties involved in the case are not affected.

5. Instead of documents specified by the present Agreement, computerized information in any form may be handed over for the same purposes. All information necessary for interpreting or utilizing these materials must also be handed over at the same time.

Article 6. Experts and witnesses

1. Upon request, either customs service, with the exception of extraordinary cases, may authorize its associates to act as experts or witnesses in judicial or administrative investigations on the territory of the state of the other Party. These associates submit the cases, documents or their certified copies and other materials, which may be considered necessary to such investigations. The request for participation in a judicial or administrative investigation must clearly state in what case and in what capacity the associate must act.

2. If an associate of a customs service has the right to refuse to present proof or give testimony, the customs service receiving the request shall examine the possibility of refusing such right under such circumstances which it considers appropriate.

Article 7. Forwarding requests

1. Requests made in accordance with the present Agreement are submitted in written form. In extrordinary situations, a verbal request may also be accepted. However, it must be immediately confirmed in written form. Information necessary for fulfillment of the requests shall be appended to them.

2. Requests made in accordance with the present Agreement shall include the following information:

a) the customs service making the request;

b) the type of investigation;

c) the purpose and reason for the request;

d) any information pertinent to the case regarding the parties in the investigation, including their names and addresses, if known, and

e) a brief description of the case under investigation and its legal qualifation.

3. Requests are written in Russian or in English.

4. If a request does not meet the requirements specified in the present article, the customs service submitting the request may be asked to clarify or amend it.

5. If fulfillment of the request does not enter into the competency of the customs service receiving the request, it immediately forwards it to the appropriate agency and takes actions for review of the request by this agency. Notification of this is forwarded to the customs service submitting the request.

Article 8. Fulfillment of request

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1. The customs service receiving the request takes all possible measures for fulfillment of the request and, if required, expends all efforts to seek out any administrative or judicial means necessary for fulfillment of the request.

2. Each customs service, at the request of the other customs service, conducts all necessary investigations, verification or review in connection with the cases specified in the present Agreement, including the survey of experts, witnesses and persons suspected of committing the legal violations.

3. With the consent of the customs service receiving the request, associates of the customs service submitting the request may be located on the territory of the state of the customs service receiving the request during performance of such investigations, and in the appropriate cases shall present any information or give assistance in regard to the request for assistance.

They must be capable of presenting, at any time, proof of their official powers and authorities, and should not be dressed in uniform or carry weapons.

4. At the request of the customs service, individual procedures are carried out, if this does not contradict the legislation of the state whose customs service receives the request.

5. The customs service submitting the request shall be informed of the time and place of the measures which are performed in accordance with the request, for the purpose of coordinating such measures.

Article 9. Confidentiality of information and documents

1. Information, documents and other materials received in the course of provision of mutual assistance may be used only for the purposes specified in the present Agreement, including their use in judicial or administrative investigations. Such information, documents and other data may be used for other purposes only with the clearly expressed consent of the customs service which has provided them.

2. Requests, information, statutes of expert commissions and other materials obtained by either customs service from the other customs service in any form whatsoever in accordance with the present Agreement, are granted the same degree of protection against publication by the customs service receiving them as other documents and information of this customs service, in accordance with the legislation of its state. The customs service receiving the information must ensure its confidentiality if this is requested by the other customs service.

3. The present article does not exclude the use or disclosure of information to that degree to which it is provided by the legislation of the state submitting the request to the customs service in a criminal investigation. The customs service submitting the request gives timely notification to the other customs service regarding any presumed discovery.

Article 10. Exceptions to obligation of providing assistance

1. If the customs service receiving the request believes that the fulfillment of the request would inflict detriment upon the sovereignty, security, public order or other significant interests of its state, it may partially or fully refuse to cooperate, or to provide assistance only with adherence to certain conditions or requirements.

2. If the request cannot be fulfilled, the customs service submitting it is immediately notified of this fact, with indication of the reasons for the refusal and, if possible, with indication of the circumstances which may be significant for further administration of the case.

3. If the customs service appeals for assistance which it cannot itself provide, it notes this fact in its request. The fulfillment of such a request is forwarded at the discretion of the customs service receiving it.

4. Provision of cooperation may be postponed on the grounds that this will affect investigations, prosecution or examinations which are underway. In this case, the customs service receiving the request consults with the customs service submitting the request for the purpose of determining whether assistance may be given with adherence to such requirements or conditions as may be presented by the customs service receiving the request.

Article 11. Expenditures

1. The Parties, as a rule, reject any demands on compensation of expenditures associated with fulfillment of the present Agreement, with the exception of expenses for witnesses, or payment for consultation of experts and work of translators who are not employed in state service.

2. Compensation of expenditures associated with cooperation in accordance with the principles in point 3, Article 3 of the present Agreement may be the subject of separate agreement between the customs services.

3. If fulfillment of the request will require significant expenditures, or if they bear an extraordinary character, the customs services perform consultation for the purpose of determining the conditions on which the given request may be fulfilled, as well as the form of payment.

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Article 12. Implementation of the Agreement

1. Cooperation and mutual assistance in accordance with the present Agreement are implemented directly between the customs services. The customs services agree amongst themselves on the specific measures for these purposes.

2. The actions of the customs services will specifically include, but not be limited to, the following:

a) holding regular consultations on questions of cooperation within the framework of the present Agreement;

b) maintaining direct communications for the purpose of resolving questions arising from the present Agreement;

c) after consultation, taking any measures necessary for implementation of the present Agreement, and

d) striving toward resolving by mutual consent the problems or questions regarding the interpretation or application of the present Agreement.

Article 13. Territorial effect of Agreement

The present Agreement shall be efffective on the customs territory of the Russian Federation and the customs territory of the United States of America.

Article 14. Implementation and termination of effectiveness

1. The present Agreement shall become effective 30 days from the date of notification through diplomatic channels of the fulfillment by the Parties of the intrastate procedures necessary for implementation of the Agreement.

2. The present Agreement replaces the Agreement Between the Government of the Union of Soviet Socialist Republics and the Government of the United States of America on Cooperation and Mutual Assistance Between the Customs Services of These Countries, signed in Washington on 2 June 1990, and effective between the Russian Federation and the United States of America as of 7 December 1993.

3. The present Agreement is concluded for an indefinite term. Each of the Parties may at any moment terminate its effectiveness by giving written notification of this fact to the other party through diplomatic channels. The effect of the present Agreement is terminated 3 months following the date of such notification. In this case, investigations which are underway at the moment of its termination shall be concluded in accordance with the principles of the present Agreement.

In certification of which the undersigned, having been duly authorized by their Governments, have signed the present Agreement.

Executed in Washington on 28 September 1994 in two copies, each in the Russian and English languages, with both texts having equal force.

[Signed] For the Government of the Russian Federation A. S. KRUGLOV

[Signed] For the Government of the United States of America Lloyd BENTSEN

***General Motors, Yelabug Auto Plant To Form Joint Venture**

954E1212A Moscow ROSSIYSKAYA GAZETA in Russian 28 Jul 95 pp 9,14

[Article by D. Mikhaylin: "General Motors Picks Yelabug"]

[FBIS Translated Text] **Tatarstan leaders and industrialists, it appears, are not spending government dollars on trips abroad for nothing. Some clear progress has been noted at least recently in the republic in attracting foreign investments and reorganizing the economy on the basis of civilized principles in effect throughout the civilized world.**

Two local automotive giants, the long-familiar KamAZ and the YelAZ, in its 11th tortuous year of birth, will soon receive extensive foreign credit. KamAZ, with the aid of the American KKR Company, will receive a sum that is unprecedented for Russia amounting to $3.5 billion. YelAZ is creating a joint venture with General Motors.

Actually, KamAZ has already started receiving its money. The first $150 million earmarked for operational stabilization of the joint-stock company, was deposited in its account in June. At the same time, half of that amount was granted on the basis of a guarantee issued by the Vneshtorg Bank to KKR. These funds went for the most part for settling the most urgent accounts, including wages for the workers and payments for component parts that have been delivered.

KamAZ will most probably receive its next $150 million in August from the International Bank for Reconstruction and Development. That will be used to pay current debts and partially supplement working capital of which KamAZ has a chronic shortage, especially following the fire at the engine plant. Simultaneously work has developed within the joint-stock company itself to cut back all expenditures as reserves are being created, and the apparatus is being downsized and reorganized. One of the main directions followed in the work is the formation of a dealer-distributorship network, inasmuch as KamAZ leadership quite correctly considers that "what is most important is not the production of a motor vehicle but its sale."

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In general, KamAZ wants to arrive at the next stage in its development, which will occur next year, free of the burden of debts, unfulfilled obligations, and unpaid wages. That stage, for which the bulk of the $3.5 billion is actually earmarked, consists of the creation at KamAZ of a completely new world-class truck, with the aid of the Kamminz Firm and a number of other foreign and Russian partners.

The so-called Investment Fund Number 1 is being created within the framework of the agreement between KamAZ and KKR in which KamAZ is investing 33 percent of its shares; 51 percent of them are allocated for foreign partners. According to the decision of the joint-stock company board of directors, however, they will be able to receive 6.6 percent of that amount of shares each year and then only when the entire annual program has been completely fulfilled.

In 2002, upon achieving all of the planned indices, the foreigners will obtain the right to purchase another 16 percent of KamAZ shares at half their value as a bonus for work well done. In this manner, in the final analysis the foreigners will own not more than 33 percent of the shares. Meanwhile, by that time the enterprise will be firmly on its feet and will be able to pay off without any problems all of the credit being acquired at present.

In addition to that it is possible that the Russian Government will also grant KamAZ credit on preferential terms in addition to the $3.5 billion. At any rate, that was announced during his last visit to Tatarstan by the First Vice Premier Oleg Soskovets.

The Yelabug Motor Vehicle Plant will apparently not be able to get by without government assistance either. The signing of a decree by Russian Prime Minister Chernomyrdin on the creation of capacities for the production of passenger motor vehicles in the city of Yelabug finally provided necessary impetus for realization of previously concluded agreements with the American General Motors Company. The Yelabug Motor Vehicle Plant has been included in the list of priority construction projects of Russia. More than that, the government appeared as the financial guarantor of the project. At present a committee of experts has been created by the government to study drafts of nine documents which have been prepared, including a general agreement and the charter of the joint enterprise. The final round of negotiations will occur on 12 July, in the course of which these documents will be signed and the joint enterprise launched.

The investment program, in which the American side, beside General Motors, will also include the participation of the International Motors Company, presumes the attraction of $300 million in the first stage. Our side will invest its half—$150 million—primarily in the form of YelAZ production buildings and the land on which they are situated. In general, however, the participation of Russian and foreign capital in that joint venture will be equal, 50-50, which is quite uncommon for us.

The first part envisages the assembly of 50,000 motor vehicles per year totally out of imported components. They will be supplied both by the main General Motors production facilities in Detroit and by the Brazilian branch of that corporation. In the future it is planned to gradually assimilate the production of parts and assemblies in Russia, primarily in Tatarstan, with a maximum involvement of enterprises of the defense complex. According to Ravil Zaripov, general director of YelAZ, within five years after the initial production capacities go into operation in Russia it will be necessary to assimilate the production of 75 percent of the component parts. At the same time, in addition to the assembly line at YelAZ itself, there will also be stamping, welding, and painting lines and test stands in operation. The general director stated "we are not going to create a monster like the VAZ or KamAZ, inasmuch as that is disadvantageous in all regards."

If all of the documents are signed by the projected dates, the assembly of equipment will commence as early as this winter in the second section of the YelAZ machine tool and tool plant, which will make it possible to assemble the first motor vehicle by the middle of 1998. That will be a Chevrolet Blazer four-wheel drive jeep with a 2.4 to 4 liter engine, depending on modifications, with a power rating of from 130 to 140 horse-power. Power fuel consumption will be at least 8.5 liters per 100 kilometers.

Various types of specialized motor vehicles will be designed on the basis of that vehicle in the future, such as those for use by the militia, ambulance service, etc, as well as pickups for hauling loads from 1,200 to 1,300 kg.

The base price of the motor vehicle is $18,000 (the same model in the United States costs $20,000). It will decrease as the production of component parts is assimilated. Studies conducted by one of the British firms in Moscow, Kazan, Voronezh, and Rostov-on-Don indicated that our market is capable of "digesting" 50,000 motor vehicles a year at such a price. On the scale of the CIS market that figure could come to 75,000 motor vehicles.

The second stage in the development of YelAZ presumes the creation of capacities for the annual production of 300,000 motor vehicles of the sub-compact class. Thus far it is not known what kind of a motor vehicle it will be, but the YelAZ management, without being put out by the failures of its predecessors, declares that it will be a popular—that is, a mass-produced and low-cost—vehicle. General Motors may possibly become interested in that project as well, which, according to preliminary estimates, will cost $3 billion.

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In addition to that, at this stage the CIS countries are to join in the project, which was the subject of a special intergovernmental agreement signed in Minsk in 1992 at which time the intergovernmental YelAZ-invest consortium was created.

Russia and Tatarstan hold equal shares in that consortium—50 percent each—having just this year invested 60 billion rubles each in YelAZ. Each of the countries will receive their share in accordance with the invested amount.

***Foreign Investors Prefer Projects in Raw Materials Sector**

954E1212B Moscow ROSSIYSKAYA GAZETA in Russian 28 Jul 95 p 14

[Article by A. Podymov: "Capital Aimed at Raw Materials"]

[FBIS Translated Text] **Marketing research done by Goskomimushchestvo [State Committee on the Administration of State Property] confirmed that which is already quite clear: foreign investors prefer raw material branches in Russia**

With the exception of agreements connected with the development of Sakhalin Shelf oil fields by foreign companies, which made a lot of noise, no special activity among foreign investors is being observed. Domestic holders of free funds are also conducting themselves cautiously.

It was possible to speak about important changes in investment anticipation of potential domestic and foreign investors, however, even before the start of the coordinated "attack on the dollar." With a rather optimistic evaluation of future inflation, the desires of practically all categories of investors are much greater than their real activity in that sphere (See Table 1).

Table 1. Structure of Capital Investments in 1994 by Branch

Fuel energy	**37.4 percent**
Machine-building and metallurgy	10.6
Lumber and woodworking industry	1 percent
Chemical industry	2.2
Construction and building material industry	4.2 percent
Transportation	15 percent
Other branches	29.6 percent

Table 2. Structure of Capital Investments in 1994 by Region

Western Siberian Region	**31 percent**
Moscow	12 percent
Northern Region	22 percent
Central Region	9 percent
Others	26 percent

Thanks to privatization measures, portfolio investments have already experienced the first boom—the voucher boom—and will undoubtedly go through the second one—the monetary boom. According to various estimates, in 1994 portfolio investments by foreigners alone came to $1.5 to $2.5.

At the same time the situation with direct investments is considerably worse. Capital investments associated

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with them have a tendency to go down, which was not changed even by the May-June difficulties experienced by the dollar. In the first quarter of 1995 the decline in capital investments amounted to 24 percent as compared with the first quarter of 1994. At the same time the placement of national economic facilities into operation decreased by only 13 percent, which refutes the assertions of executives of the Ministry of Construction regarding the decrease in effectiveness of capital investments. In the housing sphere there has been a general rise in the amount of housing being made available. There is clear evidence of builders building "on demand."

The same conclusions can be drawn in analyzing distribution of capital investments by branch. It differs perceptibly from anticipated investments. The undisputed leader—the fuel and energy complex—no longer holds such singular attraction and the light and food industry as well as the sphere of communications and telecommunications are awaiting their investors (See Table 2).

Even the relatively sober approach of domestic investors to the prospects of economic development does not provide executive power with grounds to preserve the existing situation with investment demand. The degradation of science-intensive branches and the 60 percent wearing out of technological equipment, even according to some of the optimistic estimates, is simply threatening us with the prospect of becoming a raw material appendage of the West. Growth of investments in raw material branches makes such well worn predictions highly realistic. Protectionist policy is in need of reorientation toward investment projects that pay for themselves rapidly, specifically in the competitive branches which in our case continue to be connected in one way or another with the military industrial complex.

In addition to that the investment demand today also needs restructuring. Monetary funds, which it appears are being freed in connection with the prolonged drop of the dollar, must be spent not only on government securities but also on the shares of enterprises being privatized. The banks and brokers do not have to be persuaded to part with their money, but with respect to the citizen, who, by the way is prepared to invest almost 15 percent of the total required in Russia, found it much easier to part with his voucher which came out of the blue than to invest his own money now.

Thus, the reorientation of investors, which is required today, will be realizable only when the appropriate legislative and tax base is introduced. The projects, beside credit support—which it seems has finally become a reality—must also have a certain tax support as well, even if only in the form of deferments in the repayment of credit as well as significant tax benefits and the fixing of taxes for the term until recoupment of the investment.

It is also interesting that, as a rule, it is specifically in those branches which are less interesting according to data of the study, that the elaboration of investment business plans is being carried out at a higher level. As they say, life compels. The machine builders spared no money in the creation of a specialized joint-stock company, while other branches are still managing by using services of private consulting and engineering firms. It is not easy to evaluate their capabilities under present-day conditions while the services of similar western firms cost so much that it often amounts to the entire cost of the investment project itself. When the matter of working out investment proposals is undertaken by the ministries and agencies, everything goes back to the familiar Soviet system: "I will give it to whomever I like!"

The ratio of three to one has long been recognized in the West, in accordance with which a unit of government funds invested in a promising branch subsequently yields three units of tax revenue. In raw material branches, however, the law on mineral resources has already started working along with the first consequences of the law regarding division of production, reinforced with credit from banks. Branches which determine the economic independence of Russia also need such support.

*Yeltsin-Niyazov Meeting on Ethnic Russians, Turkmen

*Joint Declaration Issued

954Q0267A Moscow DIPLOMATICHESKIY VESTNIK in Russian Jun 95 No 6, pp 36-37

[Declaration: "Joint Declaration on the Results of the Official Visit of Turkmenistan President S. A. Niyazov to the Russian Federation"]

[FBIS Translated Text] Russian Federation President B. N. Yeltsin and Turkmenistan President S. A. Niyazov,

— expressing the will of the peoples of Russia and Turkmenistan to strengthen and develop the relations of friendship and brotherhood that have formed between them;

— acting in conformity with the United Nations Charter and other norms of international law;

— proceeding from the fact that the Treaty of Friendship and Cooperation Between the Russian Federation and Turkmenistan is a foundational legal act for Russo-Turkmen interrelationships;

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— confirming the readiness to continue and deepen the diverse cooperation within the framework of the Commonwealth of Independent States; and

— having the goal of strengthening the trust and expanding all the ties based on mutually advantageous and mutually responsible principles on behalf of the prosperity of the peoples of Russia and Turkmenistan,

declare the following:

The further development of the interrelationships of friendship and cooperation between the Russian Federation and Turkmenistan conforms to the lenghty and vital interests of the peoples of both states, and is one of the key areas in their foreign policy.

For both states, a factor of fundamental importance is the development of long-term economic cooperation both on the international level and among enterprises of all forms of ownership, including in the sphere of the production and processing of output, trade, the creation of joint ventures, and the reciprocal attraction of investments. For these purposes, the Parties have considered and adopted comprehensive interaction programs. In particular, an Agreement on cooperation in the area of creating a North-South transport corridor across the territory of the Russian Federation and Turkmenistan has been signed; and understandings concerning cooperation between the petroleum-gas complexes of both Parties have been achieved. An Agreement on the basic principles and areas of economic cooperation for the period until the year 2000 has been signed.

The presidents have instructed the appropriate departments of both countries to continue the work of creating stable legal foundations and mechanisms for economic-trade cooperation.

The Parties emphasized their firm resolve to guarantee to the citizens residing on their territories the political, social, economic, and cultural rights and freedoms in conformity with the generally recognized international norms in the area of human rights, as well as with the treaties and agreements in which Russia and Turkmenistan participate. Treaties that are of fundamental importance in this context and that were signed by the presidents are the Treaty of Cooperation For Purposes of Guaranteeing the Rights of the Russian Minority in Turkmenistan and the Turkmen Minority in Russia, and the Treaty on the Legal Status of Citizens of the Russian Federation and Turkmenistan Who Are Permanently Residing on Territories of the Parties.

Emphasizing the importance of interaction in questions of guaranteeing security and the protection of the borders that Russia and Turkmenistan have in common, the Parties expressed their position in favor of the further strengthening of cooperation along the military line. For this purpose a number of bilateral documents were signed, including agreements on cooperation in the area of air defense, the organizing o military international shipments, and technical-military cooperation.

The Parties note that the treaties and agreements concluded between them conform to the interests of mutually advantageous, completely equal cooperation in the region and are not directed against any third parties.

The president of Russia with complete understanding perceived the explanations provided by the President of Turkmenistan relative to the maintaining of the Turkmen policy of neutrality, including in aspects of relations with Russia and participation in the CIS.

Russia and Turkmenistan consider each other strategic partners in the political, economic, military, and humanitarian areas in all spheres of international interaction. Russia and Turkmenistan declare their readiness to render support to one another in the event of the arising of circumstances requiring such a reaction.

Russia and Turkmenistan are in favor of creating the necessary conditions for peaceful cooperation, interaction, and broad ties among the peoples of the region, and the strengthening there of the stability and security that are necessary for economic progress and prosperity. They support any constructive steps that are taken to achieve those goals.

Russia and Turkmenistan, as founding countries in the Commonwealth of Independent States, emphasize their adherence to the expansion of reciprocal contacts and cooperation among the CIS states on a multilateral and bilateral basis.

Russia and Turkmenistan declare their firm resolve to establish smoothly operating cooperation among the Caspian states in the interests of the intelligent use of the natural wealth of the Caspian Sea and the preservation of the unique ecosystem of that body of water. The Parties emphasized that the decisions pertaining to the legal status of the Caspian Sea must be made jointly by all the states bordering that sea and that unilateral decisions in these questions are inadmissible and will not be recognized.

The Moscow meeting, the negotiations that were held during the course of that meeting, and the signed documents have demonstrated the commonality or proximity of the positions of the two countries with regard to the questions that were discussed and provided a new impetus for developing cooperation between the Russian Federation and Turkmenistan.

[Signed] B. Yeltsin

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S. Niyazov
Moscow, 18 May 1995

***Text of Treaty on Legal Status**

954Q0267B Moscow DIPLOMATICHESKIY VESTNIK in Russian Jun 95 No 6, pp 37-39

[Treaty: "Treaty Between the Russian Federation and Turkmenistan On the Legal Status of Citizens of the Russian Federation Who Are Permanently Residing on the Territory of Turkmenistan, and Citizens of Turkmenistan Who Are Permanently Residing on the Territory of the Russian Federation"]

[FBIS Translated Text] The Russian Federation and Turkmenistan, hereinunder called the Parties, for purposes of the further development of friendly relations between them and striving, in the interests of their citizens, to guarantee equal conditions for their residence on the territories of both Parties, and, in this regard, desiring to grant the citizens of one Party who are permanently residing on the territory of the other Party a legal status that is as close as possible to the legal status of the citizens of that other Party; and

— keeping in mind the principles stated in the Convention on Legal Assistance and Legal Relations in Civil, Family, and Criminal Cases, which was signed in Minsk on 22 January 1993,

have come to an understanding concerning the following:

Article 1

1. This Treaty extends to individual who have the citizenship of one Party and who permanently reside on the territory of the other Party.

2. The principles stated in this Treaty are not applied to individuals who have the citizenship of both Parties (persons with dual citizenship). The legal status of such individuals is determined in conformity with the 23 December 1993 Agreement between the Russian Federation and Turkmenistan, entitled "Settling Questions of Dual Citizenship."

Article 2

1. For purposes of this Treaty, a citizen of one Party is considered to be permanently residing on the territory of the other Party if, on the basis of an authorization issued by that other Party, he is permanently residing on its territory and is not a person permanently residing on the territory of the Party of his citizenship in conformity with its legislation.

2. In this Treaty:

a) the term "permanent resident" designates a citizen of one Party who is permanently residing on the territory of the other party, as defined in Paragraph 1 of this article;

b) the term "Party of citizenship" designates the Party of which the permanent resident is a citiaen;

c) the term "Party of residence" designates the Party on the territory of which the permanent resident is permanently residing.

Article 3

1. The document that is recognized by the Parties as evidence certifying the status of the permanent resident in conformity with this Treaty is the document issued by the competent agencies of the Party of residence, or a note that is issued by competent agencies of the Party of residence in documents certifying the identity and citizenship of the permanent resident in conformity with the legislation of the Party of citizenship, or in documents that grant the right to cross a state border, with the exception of diplomatic and official passports.

2. The Parties exchange samples of the documents and notes indicated in Paragraph 1 of this article, as well as information concerning which individuals are granted the status of permanent resident in conformity with this Treaty. The indicated exchanges are carried out by way of the consular institutions of the Parties.

3. Instruction, work, a temporary-duty assignment, military service, temporary residence for purposes of medical treatment, or other instances of a temporary stay by a permanent resident outside the confines of the territory of the Party of residence, in and of themselves, have no influence upon his legal status as defined by this Treaty.

Article 4

1. A permanent resident is required to observe the Constitution and laws and to respect the traditions and customs of the Party of residence.

2. A permanent resident preserves his legal tie with the Party of citizenship and enjoys its sponsorship and protection.

Article 5

1. A permanent resident enjoys the same rights and freedoms and bears the same responsibilities as the citizens of the Party of residence who are permanently residing on its territory, except for the instances established by this Treaty.

2. A permanent resident does not enjoy the following rights:

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a) the right to elect or to be elected to the highest state positions or the highest agencies of state authority of the Party of residence;

b) the right to participate in a national referendum being conducted by the Party of residence;

c) the right to occupy positions of administrators in the system of agencies of state authority, positions in the diplomatic service, in agencies of security or internal affairs, or positions of judge or procurator in the Party of residence.

3. The Parties, in their legislation, may reduce the list of exceptions stipulated by this Treaty with respect to the legal status of permanent residents.

Article 6

The limitations of rights or additional responsibilities that are established or that may be established for foreign citizens in the Party of residence, including the conditions and procedure for entry, stay, deportation, and exit, do not extend to the permanent resident.

Article 7

1. Documents concerning education or documents that certify a person's vocational training which are issued to a permanent resident by an educational institution or by another institution of the Party of citizenship are recognized on the territory of the Party of residence, irrespective of the date of their issuance.

2. The documents indicated in Paragraph 1 of this article grant the right to the permanent resident to attend educational institutions situated on the territories of both Parties, and are valid when the person is being accepted for a job in the specialization area indicated in the documents.

Article 8

A permanent resident participates in the privatization of the state property of the Party of residence on a par with its citizens unless otherwise stipulated by another treaty between the Parties.

Article 9

1. Documents granting the right to cross the state borders of the Parties, including the borders with third states, are issued by a consular institution of the Party of citizenship in the Party of residence.

The same limitations on leaving the confines of the Party of residence as those that have been established for citizens of the Party of residence in conformity with its legislation extend to the permanent resident.

Article 10

1. The permanent resident performs military or alternative service in the Party of citizenship. He has the right, with the consent of the Party of citizenship, to perform this service in the Party of residence.

2. A permanent resident who has performed military or alternative service in one Party is freed from such service in the other Party.

Article 11

1. The legal capacity and competency of the permanent resident are defined by the legislation of the Party of residence.

2. With regard to cases involving the limitation or restoration of the competency of a permanent resident, as well as cases involving the recognition of a permanent resident as having disappeared without a trace or involving a declaration of his death, or cases involving the establishment of the fact of death of a permanent resident, the competent agencies of one Party inform the consular institution of the other Party immediately after the court's decision has gone into legal effect.

Article 12

1. Adoption or the rescinding of adoption, the establishment or rescinding of foster parenthood or guardianship, in the event that the adopting parent, the foster parent, or the guardian is a permanent resident, and the person with respect to whom the adoption or its rescinding, or the foster parenthood or guardianship is being established or rescinded is a citizen of the Party of residence, are regulated by legislation of that Party.

2. In the event that, with respect to a permanent resident, adoption or its rescinding is being carried out or foster parenthood or guardianship is being established or rescinded, the legislation of the Party of citizenship is applied.

Article 13

Obligations to compensate for damages in the event when the person who has inflicted the damages and the person who has suffered the damages are permanent residents and citizens of one and the same Party are defined by the legislation of the Party of residence.

Article 14

The Parties take all steps, including legislative and administrative ones, necessary to execute the principles stated in this Treaty.

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Article 15

Disputes between the Parties that arise as a result of the application or interpretation of this Treaty are resolved by means of consultative sessions or negotiations between the Parties.

Article 16

The principles stated in the 22 January 1993 Convention on Legal Assistance and Legal Relations in Civil, Family, and Criminal Cases are applied by the Parties insofar as this pertains to civil and family relations that are not regulated by the principles stated in this Treaty.

Article 17

This Treaty is subject to ratification and goes into effect on the day of exchange of ratification documents. It operates for a period of ten years, starting with the date that it goes into effect. After the expiration of the ten-year period, the Treaty is automatically extended, each time, for a five-year period unless one of the Parties declares otherwise six months prior to the expiration of the indicated period.

Concluded in Moscow on 18 May 1995 in two copies, each in Russian and Turkmen, with both texts having identical force.

[Signed] For the Russian Federation

B. Yeltsin

For Turkmenistan

S. Niyazov

***Text of Treaty Guaranteeing Rights**

954Q0267C Moscow DIPLOMATICHESKIY VESTNIK in Russian Jun 95 No 6, pp 40-42

[Treaty: "Treaty Between the Russian Federation and Turkmenistan on Cooperation For the Purposes of Guaranteeing the Rights of the Russian Minority in Turkmenistan and the Turkmen Minority in the Russian Federation"]

[FBIS Translated Text] The Russian Federation and Turkmenistan (hereinunder called the Parties),

— for purposes of the further development of friendly relations between them;

— confirming their adherence to the observance of the norms of international law in the area o human rights, which are firmly stated, in particular, in the Universal Declaration of Human Rights, international pacts on human rights, and the Declaration Concerning the Rights of Individuals Belonging to National or Ethnic, Religious, and Linguistic Minorities;

— striving to guarantee the rights of the Russian and Turkmen minorities residing on their territories and to create for those purposes the appropriate mechanisms of interaction; and

— guided by the 31 July 1992 Treaty of Friendship and Cooperation Between the Russian Federation and Turkmenistan,

have come to an understanding concerning the following:

Article 1

This Treaty extends to citizens belonging to the Russian minority permanently residing in Turkmenistan and to citizens belonging to the Turkmen minority permanently residing in Russia (hereinunder called "the minorities)."

Article 2

The Parties guarantee to individuals belonging to the minorities the civil, political, social, economic, and cultural rights and freedoms in conformity with the generally recognized norms of international law in the area of human rights and with this Treaty.

Article 3

1. The Parties recognize for individuals belonging to minorities the right, individually or jointly with members of their group, without hindrance to express, preserve, and develop their ethnic, linguistic, cultural, and religious individuality, and are also obliged, in their policy, to take their legal interests into consideration.

2. The Parties will take the necessary legislative, administrative, and other measures with the purpose of creating on their territories favorable conditions for implementing the rights of the minorities and for preventing attempts to achieve their assimilation by force or to discriminate against citizens on the basis of ethnic criteria. The measures to be taken must correspond to the interests of society as a whole and must not allow any limitation of the rights of other citizens.

Article 4

1. The Parties are obliged to guarantee to the minorities the right to participate in public and state life, especially in the resolution of questions pertaining to the protection of their interests affecting the regions where they live.

2. The Parties recognize for individuals belonging to the minorities the right to create, in conformity with the legislation of the state where they are residing, public organizations (associations, societies) of an educational,

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cultural, religious, or other nature for purposes of preserving and developing the national or ethnic, linguistic, cultural, and religious individuality.

The mentioned organizations will enjoy the same rights that are granted to other similar public organizations.

3. When taking legislative,administrative, and other measures that affect the interests of the minorities, the Parties will carry out consultative sessions with their representatives.

Article 5

1. The Parties recognize for individuals belonging to the minorities the right, without hindrance, to maintain contacts among themselves on the territory of the state of residence, as well as the right to preserve and maintain ties with citizens and organizations of states with which they are linked by a common national or ethnic origin, culture, language, or religious convictions.

2. Each of the Parties will encourage the activities of cultural-information centers of the other Party on its territory.

Article 6

The Parties recognize for individuals belonging to the minorities the right, individually or jointly with members of their group, to use their own first names and last names, including in official documents, as is customary in their native language, and also, without hindrance, to use their native language in their personal and public life, both in written and in spoken form, to have access to information in that language, to disseminate that information, and to exchange it, including the right to have mass media in their native language.

Article 7

The Parties recognize for individuals belonging to the minorities the right, individually or jointly with members of their group, to preach their religion and perform religious rituals in conformity with their religious denomination, to maintain cult buildings, to purchase and use objects necessary for performing their cult activities, and also to carry out religious-educational work in their native language.

Article 8

The public organizations mentioned in Article 4 of this Treaty can be financed at the expense of voluntary monetary or other assessments and can receive assistance from the state where they are located, in conformity with its legislation. They can also obtain, contingent upon the observance of the requirements established by the legislation of the state where they are located, assistance from state and public organizations and private individuals of the other Party.

Article 9

For purposes of promoting the preservation of the national, ethnic, linguistic, cultural, and religious individuality of the minorities, the Parties, in particular, will:

a) create the appropriate opportunities for studying the native language and obtaining an education in the native language in areas densely populaed by the minorities, including the opening and maintaining of educational institutions financed from funds in the state and local budgets, as well as from other sources;

b) promote cooperation between the state agencies of the Parties that are in charge of questions of education, in order to provide the educational institutes where instruction is being given in the language of the minorities with curricula, teaching aids, and textbooks in that language, and to assist in training specialists for work in those educational institutions;

c) create opportunities for using, in contacts with the official authorities, the language of the minorities in areas densely populated by the minorities;

d) take steps to preserve and study the cultural heritage of the minorities, including the guaranteeing of the protection of the monuments of their history and culture;

e) take into consideration the history and culture of the minorities when teaching history and culture in educational institutions and organizations; and

f) promote the preservation and development of the national handicrafts of the minorities.

Article 10

1. The Parties will promote the process of codification of the rights of the minorities on a multilateral level and will support efforts in that area that are being undertaken within the framework of the United Nations and the Organization for Security and Cooperation in Europe.

2, The Parties will undertake the necessary measures with the purpose of putting their legislation into conformity with this Treaty.

Article 11

1. The coordination of the activities linked with the execution of this Treaty is to be carried out:

— on the Russian side, by the RF Ministry for Affairs of Nationalities and Regional Policy, and

— on the Turkmen side, by the Turkmenistan Ministry of Justice.

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For purposes of executing the principles stated in this Treaty, the mentioned agencies will communicate directly with one another.

2. In order to consider the questions stipulated by this Treaty, the Parties can also create mixed commissions consisting of representatives of both sides.

Article 12

This Treaty does not affect the obligations of the Parties which evolve from other international treaties of which they are participants.

Article 13

This Treaty is subject to ratification. It will go into effect on the day of exchange of the ratification documents and will operate for a period of five years. The Treaty will be automatically extended for subsequent five-year periods unless one of the Parties informs the other Party in written form no less than six months prior to the expiration of the corresponding period concerning its intention to stop its action.

Concluded in Moscow on 18 May 1995 in two copies, each in Russian and Turkmen, with both texts having identical force.

[Signed] For the Russian Federation

B. Yeltsin

For Turkmenistan)

S. Niyazov

***Complexities of CIS Economic Integration**

954E1230A Moscow EKONOMIST in Russian Jul 95 No 7, pp 18-24

[Article by I. Semenov, department head in the RF Ministry of Economics: "Complexities of Economic Integration Among the CIS Countries"]

[FBIS Translated Text] Lately in the former republics of the USSR, the awareness that there is no alternative to economic integration within their former common economic space, and especially with Russia, has been growing stronger. During the first few years after their political independence, two contradictory tendencies could be seen in these countries' relations with Russia. On the one hand, there was a desire to reinforce their national sovereignty through isolationist measures in the economy, which was often brought about by a divergence of economic interests and a desire to make maximum use of diminished national resources to satisfy the requirements of the domestic market. On the other hand, there was a desire to restore severed economic ties, the need for which is dictated by the existence of a single network of transportation communications and information systems, the commonality of technical conditions of production, and the uniformity of the standards used and of other production and technological factors.

The severance of political and economic ties that occurred after the breakup of the USSR has been associated in many CIS countries with deepening economic crisis, a lowering of the population's living standard, and an exacerbation of social problems.

According to the data of the CIS Statistics Committee, the Commonwealth states' gross domestic product declined by 39 percent overall in 1992-1994, including a 16 percent decline in 1994. Specialists believe that the drop of at least 30 percent in production in Russia was due to the rupture of established inter-republic relations. In the event of their complete termination, end consumption would decline by more than one-third in Russia and by an average of sixfold in the other CIS countries.

A direct consequence of the drop in production was a reduction in reciprocal trade among the CIS countries, a reduction which was even more drastic than the decline in GDP, since a reorientation of foreign economic relations toward the markets of non-CIS countries occurred at the same time. Of the CIS countries' total trade turnover in 1994, which is valued at approximately $150 million, only 40 percent was attributable to reciprocal operations among the CIS countries. Russia's trade with non-CIS foreign countries has been steadily declining. An especially sharp decline occurred in 1992-1993. In 1994 the drop amounted to about 7 percent (in comparable prices). Petroleum deliveries to the CIS countries declined from 54.2 million tonnes in 1992 to 36.3 million tonnes in 1994, and deliveries of natural gas declined over the same period from 94.1 billion to 78.5 billion cubic meters. Considering that there is still no sign of any factors whose effect might result in a stabilization of reciprocal trade, one can figure that reciprocal trade will further decline by approximately 10 percent in 1995.

Consequently, the CIS countries' share of Russia's foreign trade has declined approximately threefold in the past few years. Whereas it accounted for 67.8 percent of exports and 70 percent of imports in 1991, in 1994 the corresponding figures were 22.5 percent and 25.7 percent. There is still no effective mechanism that would give economic agents an interest in establishing their business relations primarily within the CIS framework. Today the Commonwealth represents an asymmetrical country model in which about 80 percent of Russia's trade (with the countries of the near abroad) is accounted

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for by Ukraine, Belarus, Kazakhstan and Uzbekistan, and Russia's share in the trade of most of the CIS countries is approximately the same. The unevenness of economic potentials is resulting in a situation in which the trade balance is steadily developing in favor of the Russian Federation. In 1993 exports to the CIS countries exceeded imports by 5.2 trillion rubles (38 percent of exports), and in 1994, for officially registered trade, exports exceeded imports by R9.2 trillion (31 percent of exports). In 1995 exports will also evidently exceed imports, although the size of the gap will be somewhat smaller, compared with the previous period. The systematic trade imbalance has resulted in the formation of a large debt to Russia on the part of the CIS countries. Part of it has been converted to state credits, the total amount of which came to the equivalent of $5.7 billion, U.S., by the end of 1994. At the same time, the amount of arrears for deliveries under direct economic contracts has been rising. The total arrears of all CIS countries to Russia exceeded R15.5 trillion as of 1 April.

The negative consequences of disintegration have prompted even nationalistically inclined politicians in the CIS countries to recognize the need to change the course of economic relations with Russia. At present it is generally recognized that unless effective interaction is restored among the former union republics it will be impossible to surmount a deepening of the economic crisis and stabilize the economic situation. At the same time, it is obvious that there can be no question of a complete return to the former system of mutual relations. The realities stemming from the existing situation, especially the political status of the former union republics, which have become genuinely independent states, and the impossibility of managing economic processes from a single center by directive and allocative methods, must be taken into account.

The Treaty on the Establishment of an Economic Union, signed 24 September 1993, is aimed at the step-by-step formation of a common economic space in which relations among economic agents will be based on the principles of a market economy. Within the context of that economic space, it is proposed to create conditions for the free movement of goods, services, capital, and manpower. The countries belonging to the Economic Union are supposed to bring their economic management systems into closer conformity with one another, standardize their economic legislation, provide the economic agents of all states that are participants in the union that is being established with equal opportunities and guarantees, and bring their methods of regulating economic activity into closer conformity. The joint implementation of major economic projects of common interest and the pooling of efforts to solve environmental problems are also envisaged.

In the 18 months that have passed since the Treaty on the Establishment of an Economic Union was signed, several dozen agreements have been concluded that, by and large, create the necessary normative basis for solving integration problems. The most important of these agreements are intergovernmental agreements on the formation of a free trade zone; on a Payments Union; on common conditions for and a mechanism for supporting cooperative production arrangements among enterprises and economic branches of the Commonwealth states; on assistance in the establishment and development of transnational production, commercial, credit, and financial, insurance, and mixed associations; and on cooperation in the area of investment activity and the implementation of antimonopoly policy. Multilevel work has begun to restore and develop cooperation in the production sphere. At the present stage, priority is being accorded to the formation of a system of joint production associations, corporations, and joint ventures. A number of important agreements on cooperation in the social sphere have been signed.

The organizational basis of integration activity is being strengthened. This should be helped, in part, by the establishment of the Interstate Economic Committee of the Economic Union.

However, a radical change in economic relations among the CIS countries has not yet been achieved, and the state of cooperation is still far from commensurate with the potential of those countries' economies. To a significant degree, this is due to the fact that divergent and sometimes contradictory decisions are made in the CIS countries.

The economic reforms that are being conducted also differ fundamentally. There is no unity among the CIS countries on such fundamental issues as the system of taxation, the procedures for settling accounts among economic agents, the rules governing the functioning of the securities market, the mortgaging of real estate, etc. Consequently, the policy followed by any given CIS state in these areas frequently causes damage to other Commonwealth members.

In order to get out of the existing situation, it is necessary, first and foremost, to overcome the existing approach to addressing the key problems of integration whereby many departments and officials on whom these solutions depend are governed by short-range, parochial interests. This is clearly evident in the example of the approach to equivalency of commodity exchange. This issue has become especially acute in settling accounts for energy resources delivered from Russia.

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An inefficient structure and high level of energy-intensiveness were fundamental shortcomings of the economy of the former USSR. The situation unquestionably must be rectified, but it must be done gradually and in close coordination with the structural reorganization of the economy in all the CIS countries. A rapid increase in prices for products of the fuel and energy complex and, correspondingly, increases in transportation charges could stifle the economy in both Russia and the other Commonwealth countries and make it harder to solve many urgent social problems.

In these areas the world level must not be taken as the only standard, ignoring the specific geographic and climatic conditions in which the Commonwealth countries find themselves. It must be considered that under present conditions raw-materials exports are the only force keeping the entire Russian economy "afloat" and maintaining a tolerable ruble exchange rate vis-a-vis the dollar. A sharp increase in energy prices is making energy exports economically unprofitable. Most of the principal consumers of fuel and electric power in Russia and the other CIS countries are incapable of adapting to the price increase that is occurring. Consequently, on the one hand, the production and consumption of nitrogen fertilizers and amounts of agricultural work are declining, and that, naturally, is resulting in a drop in yields and harvests of the main agricultural crops and a decline in production in the petrochemical industry and nonferrous metallurgy industries; on the other hand, a number of petroleum refineries, whose products cannot be sold, are becoming overstocked and shutting down.

Of course, it is out of the question that Russia, to its own detriment, should act as a "donor" vis-a-vis the other countries of the Commonwealth. It is necessary to achieve an economically equivalent exchange of scarce products with a view to world prices, but at the same time to take consumers' capabilities into account. This is a difficult task, but it can be accomplished, if there is no rushing to extremes and the emphasis is not placed exclusively on fiscal interests, but an active organizational and regulatory role in forming reciprocal trade is preserved for state agencies during the transitional period. In particular, in Russia use should be made of the price regulation fund that was established several years ago but which has never been put to use in practice, despite the fact that in some cases a reduction in reciprocal trade has been brought about by Russian enterprises' refusal to purchase products in the countries of the near abroad because of their excessively high prices. Price regulation through off-budget funds could help solve this problem in other Commonwealth countries, too. Other forms of ensuring mutual benefit are also known. Some of them were used rather successfully by the former Council for Economic Mutual Aid—for example, participation in the development of production facilities that are of interest, with the expenses incurred to be paid for in output at stable prices. The arsenal of means used in the world economy also includes other instruments suitable for our conditions.

Right now the stumbling block on the path to economic integration is the CIS countries' debt for energy deliveries. As of the beginning of this year it came to nearly R8.7 trillion. Of that sum, more than R5.7 trillion belonged to Ukraine, R1.6 trillion to Belarus, and R600 million each to Moldova and Kazakhstan. The structure of this debt with respect to specific commodities is noteworthy. Of the amount indicated, R7.6 trillion consists of debts for the delivery of natural gas, and almost R650 billion consists of debts for electric power. The debt for petroleum deliveries is much lower—R345 billion—while the debt for coal is R45 billion, and for petroleum products it is R18 billion. Thus, the formation of debt depends to a large extent on the nature of the products delivered and the possibilities of maneuvering those deliveries.

The constant rise in shipping costs is also a fundamental factor in disintegration. According to official information, in the first eight months of 1994 rail freight charges rose nearly fourfold in Russia and approximately sixfold for regions from the East to the Urals. In all countries of the world, and in our country too until the collapse of the USSR, an increase in the distance of rail shipments is accompanied by a decline in shipping rates. Governments usually create the conditions whereby long-distance rail shipments and low rates for them prove economically expedient. In Russia, however, the lifting of price controls resulted in an unrestrained increase in rail fees, especially for long distances (over 300 km). A similar situation can be seen in the other CIS countries as well. Consequently, it has become unprofitable for many enterprises and regions to ship their output to other countries of the near abroad. According to the figures for 1993 and the first half of 1994, more than 60 percent of the enterprises in Western Siberia, 70 percent of those in Eastern Siberia, and about 90 percent of enterprises in the Far East reduced their shipments to other republics of the former Soviet Union (excluding the Baltic states) by more than fourfold compared with 1991. The consequences have proved extremely distressing. Moldova traditionally supplied the regions of Russia's Far North with fruits and vegetables. In 1992 that republic had an excellent harvest of vegetables and fruits, but because of high transportation costs the North remained without them, and Moldova, losing that marketing channel, was

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unable to pay for energy deliveries. Its debt for natural gas alone presently exceeds $200 million U.S.

At present, proposals for the state support of railroads are being drawn up in Russia. In particular, the question is being discussed of shifting the railroads to the wholesale electric power market, where the rates are significantly lower than when electric power is obtained from regional joint-stock companies. It is also being proposed to revise the structure of rail charges and to eliminate the unwarranted advantages built into them. Laws on road funds and on the state regulation of rates for electric power and thermal energy have also been drafted and presented for consideration in the Federation Council. In addition, it is possible that expenditures for BAM [Baykal-Amur Mainline] tunnels and other investment projects will not be counted in outlays for rail shipments, but these are only half measures. At present the value-added tax (20 percent) and the special tax (3 percent) are included in rail charges. If the procedures for taxing rail shipments are revised, present receipts from those branches by the state budget could be more than covered through the increase in production volumes and trade turnover.

Despite the negative phenomena that have been noted—or most likely, under their influence—an objectively determined desire on the part of the Commonwealth countries for economic integration with Russia and among themselves continues to grow stronger. Taking into account the substantial differences in starting conditions, especially in the range and pace of the economic reforms being carried out, integration processes aimed at the step-by-step formation of the Economic Union will evidently not encompass all the Commonwealth countries at the initial stage, and will occur at different speeds in different regions of the CIS.

The leaders in this process are Russia, Belarus, and Kazakhstan. The population of Belarus and its leaders have shown special interest in cooperation with their eastern neighbor.

In practical terms, the expression of the policy of close integration was the signing by the two countries' governments of the January 1995 Memorandum on the Expansion and Deepening of Russian-Belarusian Cooperation, as well as a number of economic agreements that Kazakhstan has joined too.

The agreement on the establishment of a Customs Union among these three states merits the greatest attention, since a customs regime is a highly effective regulator of economic relations. Naturally, it will take time to create a Customs Union, even on the scale of the three states. It will be formed in two stages. In the first stage, tariff and quantitative restrictions are being revoked in reciprocal trade, customs control over the movement of goods from the territories of participants in the trilateral agreement is being lifted, and uniform customs duties and non-tariff regulatory measures are being established with respect to other countries. In the second stage, the customs territories of the Russian Federation, the Republic of Belarus, and the Republic of Kazakhstan will be combined into a single territory, and their internal customs borders will be abolished (they will be shifted to their external border). A special executive body will be formed for the joint management of these processes.

The example of Belarus and Kazakhstan is now being used as the basis for developing a model for bringing the CIS countries to closer conformity in the first stage of their development. Uzbekistan and Kyrgyzstan are considering the possibility of concluding agreements with Russia like those that were signed with Belarus and Kazakhstan.

In order to create a new system of economic relations and develop an effective policy of economic cooperation, there needs to be a detailed analysis of previous inter-republic relations and their effect on each republic's macroeconomic indices and a study of the factors determining the system of economic relations under the new conditions. In developing an effective plan for economic cooperation, both the interests of each state and the possibilities for achieving optimal common development results on the basis of a mutually advantageous division of labor must be considered. The development of such a plan requires thorough study of the development prospects of each republic's economy, a coordination of ultimate goals and of the republics' socioeconomic development, the determination on this basis of the dimensions and proportions of the allocation of production resources, and an assessment of the consequences of the structural policy that is being followed for the economies of Russia and the other CIS countries and of the ensuing changes in flows of goods.

The spontaneous formation of a rational system of inter-republic economic relations is impossible. Such a system can be created only as the result of the purposeful joint efforts of all the Commonwealth states. The first step in accomplishing this task should be the joint development of a comprehensive forecast of the CIS countries' economic development on the basis of which an optimal pattern of inter-republic deliveries of output and a corresponding system of prices for products involved in inter-republic exchange are developed. Such a forecast can be used as a basis for concluding bilateral and multilateral state agreements.

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The creation of a common scientific and technological space and implementation of a coordinated scientific and technological policy are of great importance to the Commonwealth countries' emergence from economic crisis. Only in that case will it be possible for them to ensure the maximum presence of their high technologies in the world market and create their own niche in the production of the latest products for which there is a demand. Acting separately, most of the CIS countries are incapable of keeping pace with worldwide scientific and technological progress because of their lack of the huge material resources required to do so. Moreover, there is a real danger of their turning into an environmentally hazardous "dump" for Western industrial firms. At present one can see a tendency to try to shift environmentally harmful metallurgical production facilities and certain chemical production facilities, as well as the production of obsolete products, to the less developed countries. The representatives of foreign states rather frequently propose that the CIS countries establish production processes in their countries that are prohibited by law in the Western countries.

The basis for restoring a common scientific space among the CIS countries could be their attainment of a world level in aeronautics and microelectronics and in the fields of composite materials, optics, laser technology, power engineering, and chemical and biological synthesis.

An extremely difficult situation is developing with respect to the formation of joint investment programs. In the near future it is unrealistic to expect an activation of joint investment activity among the Commonwealth countries through the enlistment of the funds of commercial entities. The necessary conditions for that do not yet exist. At the same time, there is an area where the joint urgent action by interested states is essential. What we have in mind is carrying out high priority maintenance work on transportation lines and at certain enterprises, especially those involved in the extraction of oil and natural gas, as well as at petroleum refineries and petrochemical plants.

Lately disasters have become more frequent in Russia. In 1993, 1,118 emergency situations, or an average of three per day, were recorded in the country. The number of disasters and accidents has been steadily growing (in industry alone, by 15-20 percent a year, despite a comparable decline in production). In the chemical industry up to 120 emergencies per month occur. Serious accidents occur once a month at metallurgical enterprises and almost daily on pipelines, not to mention other forms of transportation, where there are dozens of major accidents daily. On the basis of normative requirements, up to 15 percent of the pipe should be replaced annually in Russia's main pipelines, but because of a lack of funds, no more than 2 percent is replaced. For the same reason, the railroads use sixfold less fastening material for the upper structure of railroads. Most of the equipment at industrial facilities has long since exceeded its useful lifetime, and even comparatively new equipment is being rendered unfit because of forced stoppages of production. The same situation exists in other CIS countries as well.

The physical destruction of economic facilities not only threatens to cause serious interruptions in the supply of energy resources, raw materials, and food, but also contains a great threat to the safety of human beings and the environment. Therefore the implementation of measures to maintain production facilities and transportation systems that provide for the vital needs of Russia and the other countries of the near abroad should be a top-priority joint investment project. Fair compensation for the outlays of states participating in this undertaking can be provided. Such an approach has been well developed in world practice.

The main condition for the successful functioning of a new system of economic relations among the CIS countries is to ensure equivalent commodity exchange and the gradual repayment of debts previously incurred. In this connection, it is necessary to avoid repeating the experience of the CEMA, in which a cooperation mechanism that was developed subjectively turned some countries into net donors and others into net recipients of the results of cooperation. In the final analysis, both proved to be losers—some as the result of the continuous drain of their national income, others as the result of a predominant orientation toward the non-demanding internal market, and all members as a result of their inability to function successfully in a competitive environment.

Great hopes in solving the nonpayments problem are being pinned to the creation of a Payments Union. Its participants have agreed to introduce a single exchange rate regime for all types of foreign economic operations, to establish the exchange rate of national currencies on the basis of supply and demand on their countries' internal market, and to give economic agents freedom to choose the currency of payment.

The increase in the participation of commercial banks in mutual settlements is having a positive effect; at present about 80 percent of all payments are already being made through them. Measures are being prepared to introduce letters of credit into interstate circulation. The establishment of an international commercial clearing center of the Economic Union's member states based on

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up-to-date technology will, by rough estimates, provide for a savings in means of payment on the order of 25-30 percent of total payment turnover.

In connection with the search for ways to settle the debt, proposals have been made for the debtor countries to transfer part of their real estate in payment of their debts. In our opinion, this problem needs thorough study in not only political and legal but also economic respects. It appears that it would be advisable at the present stage to have some infrastructure facilities, such as pipeline systems, electric power transmission lines, port facilities, etc. to be transferred on the basis of leases in payment for debts.

In the opinion of a number of experts, it is impossible to solve the problem of repaying debts without the intervention of the governments of the CIS countries in question, since fundamental differences exist in national legislation and there are no developed international securities market and national currency markets within the CIS framework.

First and foremost, it is necessary to restore state accounting and reporting on enterprises' accounts receivable from and payable to partners in other CIS countries and to reach agreement on the procedures for the satisfaction of reciprocal debt claims of an interstate nature. Full solution of the problem of balancing reciprocal accounts appears to be possible only after a profound structural reorganization of the economy has been carried out in Russia and the other CIS countries.

***New Ambassador to Ethiopia Appointed**

954Q0268A Moscow DIPLOMATICHESKIY VESTNIK in Russian Jun 95 No 6, p 66

[Unattributed report under the "New Appointments" rubric]

[FBIS Translated Text] By edict of the President of the Russian Federation, the following is appointed:

Vladimir Andreyevich Volkov, Russian Federation extraordinary and plenipotentiary ambassador to Ethiopia.

V. A. Volkov, born in 1940, is a Russian. He graduated from the Moscow State Institute of International Relations in 1968. He has been in the diplomatic service since 1968.

In 1968-1969 he served as a consultant and attach in the USSR Ministry of Foreign Affairs; in 1969-1973 he was attach and third secretary in the USSR Embassy in India; in 1973-1975 he was second secretary in the USSR Ministry of Foreign Affairs Department of International Organizations. In 1975-1980 he served as first secretary in USSR embassies in the Republic of Upper Volta and the Algerian People's Democratic Republic. In 1982-1986 he served as counselor, expert, and department head in the USSR Ministry of Foreign Affairs Administration for General International Problems. In 1986-1991 he served as counselor in the USSR Embassy in Spain. In 1991-1994 he served as department head in the Administration for USSR Union Republics and deputy director of an administration in the Department for CIS Countries of the Russian Ministry of Foreign Affairs. Since 1994 he has served as deputy director and first deputy director of the Third European Department of the Russian Ministry of Foreign Affairs.

He has the diplomatic rank of extraordinary and plenipotentiary envoy, first class.

***New Ministry of Foreign Affairs Protocol Chief Named**

954Q0268B Moscow DIPLOMATICHESKIY VESTNIK in Russian Jun 95 No 6, p 66

[Unattributed report under the heading "Appointments to the Russian Federation Ministry of Foreign Affairs"]

[FBIS Translated Text] Aleksandr Filippovich Borisov is appointed director of the Russian Ministry of Foreign Affairs Department of State Protocol.

A. F. Borisov, born in 1945, is a Russian. He graduated in 1969 from the Moscow State Institute of International Relations.

He has worked in the Ministry of Foreign Affairs system since 1969. He has been on foreign assignments in the Congo, Togo, and Switzerland. He has served in various positions in the ministry's protocol department. In 1992-1995 he served as deputy director of a service and deputy director of the Department of State Protocol.

He has the diplomatic rank of extraordinary and plenipotentiary envoy, second class.

***Russian-Indian Relations Being 'Restored'**

95UM0578A Moscow KRASNAYA ZVEZDA in Russian 9 Aug 95 p 3

[Article by Vadim Markushin, KRASNAYA ZVEZDA staff: "Let Us Restore What Has Been Lost"]

[FBIS Translated Text] India, for whom the USSR was a major trading and economic partner and a reliable arms supplier, may be the country that was hit hardest by the USSR breakup. Over the three post-Soviet years, trade between the two countries declined fivefold—from $5.5 billion to $1.1 billion. The construction of many industrial facilities that was undertaken with the help of our specialists was abandoned. The proprietors were

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forced to turn over the modernization of such "symbols of Soviet-Indian friendship" as the metallurgical combines at Bhilai and Bokaro to others—willing parties were found quickly. Military-technical relations, thanks to which the Indian Army was 80 percent supplied with Soviet arms and military hardware, fell into a slump. In short, positions were abandoned along the entire line, but it appears that the crisis is behind us. The two former partners have undertaken to restore what has been lost.

A powerful impetus to the revival of former friendly relations was provided by Russian President Yeltsin's official visit to India in January 1993, in the course of which a Treaty on Friendship and Cooperation Between the Russian Federation and the Republic of India was signed. Simultaneously, a whole package of documents was approved at the highest level that called for the revival of cooperation in a number of key areas: in particular, in military-technical relations, science, information, and cooperation between the countries' special services.

In June 1994 Indian Prime Minister Narasimha Rao paid a visit to Russia, and in December of the same year Viktor Chernomyrdin visited India. The guidelines for cooperation that had previously been outlined were elaborated upon and supplemented by a number of mutual statements of intention and commitments.

Special note should be taken here of the signing of the Moscow Declaration on the Protection of the Interests of Multinational States. This conceptually important political document states the parties' agreed-upon view of the problem of territorial integrity, and according to the statements of high Indian representatives, it is "unique under present-day international conditions."

Let us note that such an emphatically high assessment of the declaration's importance reflects the nature of the efforts that India has made in recent years to define its relations with its strategic allies and strengthen its position in a radically altered world. Along these lines, probably the most urgent issue for Indian foreign policy is the neutralization of Pakistan's activities aimed at forming a kind of "Islamic crescent" in that part of Asia. To counterbalance this, India has attempted to do everything possible to promote the more widespread adoption there of the principles of the territorial integrity of multinational and multi-religious states. At the same time, it has opposed the politicization of such transnational organizations as the Organization for Economic Cooperation founded by a number of Muslim countries.

One has to think it no accident, in this connection, that Indian political circles have unwaveringly supported Russia's actions in Chechnya. Behind this, one can see Delhi's expectation of corresponding loyalty from Moscow with respect to its actions in Kashmir.

In any event, India's regional strategy, at the very least, is not contrary to the interests of Moscow, which feels no enthusiasm for Islamabad's unconcealed efforts to stimulate "independent behavior" on the part of the former Soviet Central Asian republics. The Russian leadership also views with understanding India's concern over Pakistan's military programs. In this connection, in talks with Indian Minister of External Affairs Pranab Mukherjee, who was in Moscow last week, the Russian leadership reaffirmed its intention not to supply arms to Pakistan.

According to Mukherjee, who met with journalists at the conclusion of his visit, Russian Foreign Minister Andrey Kozyrev once again reassured the Indian side that Moscow would support India's candidacy for the UN Security Council when this issue comes up.

In general, a certain tension in Russian-Indian relations has been overcome. The slump in business cooperation is also a thing of the past. This year the two countries have already conducted $1.3 billion worth of trade. By the end of the year, trade is expected to reach $2 billion.

Russia has begun to export more machinery and ferrous-metallurgy products, although the assortment of Russian exports remains narrow. At the same time, Indian electronics, garments, and medicines have taken the place of a considerable portion of the agricultural products (tobacco, tea, oil cake) imported from India.

An arrangement worked out previously for settling India's $10 billion debt at the rate of $1 billion per year for the next 10 years was reaffirmed. Part of the debt will be used as Russian investments in the construction of industrial facilities in India. Funds allocated by India for the modernization of the seaport in Novorossiysk and the Baltic and Northern plants in St. Petersburg will also count toward debt repayments.

India is satisfied with the consistent implementation of the new revised agreement on deliveries of Russian cryogenic engines. Altogether, under the contract between Glavkosmos [Main Administration for the Sale of Rocket and Space Technology] and the Indian Space Research Organization, Russia is committed to supply India with five such engines for $220 million and another two engines for free as compensation for its refusal to transfer technology and provide assistance in training specialists, as stipulated in the former agreement. India will use these engines to produce its own booster rocket for lifting satellites into near-Earth orbit that will gather data for meteorologists, agriculture, and forestry, but

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that is for the future. For now it is readying the launch of an Indian IRS-1S satellite. This will be done using a Russian Molniya booster from the Baykonur spaceport in November or December of this year.

Military-technical cooperation has taken an upswing—both in terms of deliveries of Russian arms to India (Indian military orders that have already been placed are valued at $1.4 billion), and along the lines of the joint production of weapons. It is reported that a prestigious delegation from the Indian Ministry of Defense will visit Moscow this month. It will take part in a meeting of the Russian-Indian working group on military-technical cooperation. In particular, the joint production of a multipurpose Su-30 fighter-bomber is being discussed. In the event that plans are carried out, India will consider buying a tanker aircraft based on the Il-76 from Russia.

As some Indian sources claim, the question of possibly leasing the Admiral Gorshkov aircraft carrier cruiser to the Indian Air Force is being discussed. The prospect of acquiring several submarines from Russia is also under discussion—after neighboring Pakistan signed an agreement with France to buy three Agosta [word illegible]-90 submarines from it.

India believes that the long-term program of military-technical cooperation with Russia that is geared to run until the end of the century may serve as the basis for drafting a similar document for the longer-range future. It would deal not only with Russian deliveries and production under Russian licenses but also with the joint production and marketing of weapons.

'The Jap' Accuses Others in Chara Extortion

954F3012A Moscow MOSCOW NEWS in English 14-20 Jul 95 No 27, p 13

[Interview with Vyacheslav Ivankov by Dmitry Radyshevsky, MN correspondent in New York: "Yaponets: 'They Robbed Chara, but I Am in Jail'"]

[FBIS Transcribed Text] On June 8, in New York City FBI agents arrested Vyacheslav Ivankov (nicknamed Yaponets — the Japanese) and another five former citizens of the CIS on a charge of extorting $3.5 million from American businessmen Volkov and Voloshin. In an interview with *MN* Rustam Sadykov, the co-owner of the Chara Bank explained that this money had belonged to Chara.

In an exclusive telephone interview from the Brooklyn jail where the prisoners are being held during the investigation, Ivankov sets forth his own version of what happened. For reasons of space the questions have been deleted and Ivankov's answers have been collated into a monologue.

'How This All Happened'

It's a set-up pure and simple, I am absolutely innocent and am currently in jail in defiance of the law. I have had nothing to do with anything whatsoever. Do you know how everything happened? The son of my friend arrived in New York. I came to meet with him at the hotel. He was with Sadykov, his friend. We were sitting over a cup of coffee, and Sadykov told me of his trouble. I came to understand that those Volkov-Voloshin fellows were simply criminals. We are now in jail, occupying their rightful place. They robbed people. They drove that banker, Rachuk, into a noose while placing Sadykov into a position where all he can do is to run his head into the noose. Sadykov merely wanted to be advised on how to meet with them: because they did not even want to talk to him and showered him with invectives over the phone and then hung up. I simply felt sorry for the boy. I wanted to help him so that they should meet and sort everything out. Really, this is savage treachery, they had known one another for so many years, had studied together... The scoundrels, Volkov and Voloshin, they are thieves and swindlers: they robbed Chara, then here, in the States, they robbed people and were caught on something, so to speak, by the law-enforcers. So they had to strike a compromise and arrange this set-up for me.

As for them, I saw them only once, for about seven minutes and even then quite accidentally. I went to a restaurant for a meeting with Leonid Abelis and they were there. Later in the newspapers they will write that I "cobbled together a criminal group..." But I became acquainted for the first time with four of the six men allegedly belonging to this "criminal group" only here, in jail. This is ridiculous! I wish the Americans had double-checked this. I hope they will sort it out. This is a democratic country, and I have faith in American justice.

'The MVD Cannot Forgive'

The prosecutors in the court have told me they are waiting for some information from the Interior Ministry (the MVD). But the MVD hates me! They staged three assassination attempts on my life and I survived only by a sheer miracle. They have been slandering me in the press: now they write that I was killed, now that I am connected with the Colombian drug mafia. They have been trying to palm me off for a villain, but I hope the people understand that this is a lie, because Russia is as before a state of distorting mirrors... They have nothing to hold against me. When I regained my freedom, I stayed in Russia for a mere three months and then left for America. I no longer wanted to have anything in common with them. I parted company with

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them. Thank God, for at least three years I have lived quietly, far away from them.

The MVD cannot forgive me for the fact that, while serving my prison term in Siberia, I overcame the penitentiary system of the Union. That was terrible. It was easier to survive a war than to survive in prisons. They tortured people: broke their arms, legs and spines, everyone used to spit blood from consumption... and they simply murdered people! Torture was used in eight out of ten investigations in order to hang unsolved crimes on innocent people. I revolted against this. I created a Committee for the Defense of Prisoners. I brought the Church into this project. Even in dungeons, I helped people. In Eastern Siberia everyone remembers me with gratitude.

'I Will Describe Everything'

Thousands of people know that I am a decent and honest person in the highest degree. I hated the communist regime and still hate it. Everyone in my family was very religious. My entire family was victimized by the communists.

When they offered clemency to me in jail, I renounced it. Everyone knows this. I said: "I need no clemency from bandits." But the FBI took its cue from them... I say that they are bandits not for the sake of rhetoric. It is a fact. Just take a look: at all times the party either killed militia chiefs or made them shoot themselves so that they should not tell anything about their common crimes: Yagoda, Yezhov, Beria, Shchyolokov and Pugo alike. And now Yerin has been removed. They are werewolves, they have simply camouflaged themselves, but their entire network has been left intact. This MVD, they have themselves levied a tribute on all banks and firms —they are the first racketeers. I know this for certain, and therefore I am an odious personality for them and they churn out complete absurdities about me for the press. For instance, that I helped Salonik escape from the Matrosskaya Tishina prison. Maybe Krakatoa also erupted through my fault? Sheer nonsense. I, for my part, know that this Salonik, a former member of MVD agencies who became a bandit, killed many innocent people at their bidding, whom they then helped escape from jail. After all, you cannot escape from Matrosskaya Tishina just like that. It is impossible.

There is one more reason why the MVD wants me to be kept behind bars. When still in Russia I told them: I will describe everything I know. All of your crimes. I already have a contract with a publisher, and I have begun writing. And now this escapade has interrupted my work.

Besides, these militia bosses simply love to go to America on missions, and this framed-up case is the pretext for them to fly at public expense to New York.

But one more, political, aspect is involved in this MVD adventure, in this framed-up case against me. Now a presidential election-campaign is beginning in Russia. And every attempt is being made to discredit and disgrace decent candidates. There are no forbidden ploys for the MVD and those whom they support. Among the candidates there is one very brilliant person who is much beloved in Russia - Svyatoslav Nikolayevich Fyodorov. When I was in prison in Siberia, in Tulun, my relatives knocked on all doors, in all instances trying to draw the authorities' attention to the fact that my case had been completely fabricated and that I had been wrongly condemned. And when Svyatoslav Nikolayevich learned about my case, he understood that an innocent person had suffered and he joined his voice to those who requested my case to be reconsidered. Reconsidered it was, and I was released three years early, but all the same after ten years spent in jail. And Svyatoslav Nikolayevich's opponents want to denigrate him as a candidate because of his connection with me — to show that, just look, he helped him at that time, but Ivankov in New York deals with extortion. Fraud and fabrication pure and simple!

I am a quiet, modest person, but a group of 20 men with submachine guns came to arrest me. They broke down my door. Let them drag me to the gallows, let them crucify me — I am clean. And I will survive. I need not borrow anyone's stamina. I will not permit myself to be chewed over and swallowed. All the same, yet another scar will be left on my soul. But never mind. God lets suffer those whom He loves.

MN shall not comment on Ivankov's statements, leaving it to our readers to decide whether or not this person's words can be trusted.

***Weapons-Grade Plutonium Reprocessing Projects Viewed**

95WC0060A Moscow SEGODNYA in Russian 26 Jul 95 p 7

[Article by Gennadiy Aleksandrov under the rubric "Proposals": "Moscow Intends To Sell Plutonium: Russia May Profit From Reducing Its Nuclear Arsenal"]

[FBIS Translated Text] The process of bilateral nuclear disarmament that resulted from the SALT I and SALT II treaties signed between Russia and the United States has brought into sharp focus the problem of utilizing considerable quantities of weapons-grade plutonium freed in the process of dismantling nuclear warheads.

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The choice of optimum solution to this problem depends on such factors as control over the nonproliferation of plutonium, environmental protection, safety, and ecological effectiveness. This issue is being worked on by both Russian and American specialists. A number of international seminars were held on this topic in 1994-95.

Russia, as stated by its representatives on numerous occasions, proceeds first and foremost on the assumption that surplus weapons-grade plutonium is a very valuable material that falls into the category of national wealth. It should be expected that, following this logic, priority consideration will be given to proposals centering on using the plutonium as fuel for nuclear power reactors instead of immobilizing it or burying it in geological formations. Especially considering that Russia has long been conducting research on utilization of weapons-grade plutonium in fast-neutron reactors. For instance, the experimental BN-600 reactor has already been in operation for many years; it enables multiple "run-throughs" of this material in the core, unlike light-water reactors on mixed oxide (MOX) fuel, which use it only once.

However, moving this work from the experimental to the industrial phase currently presents certain problems. Construction of BN-800 reactors in the South Urals region has been suspended, for instance. Top officials of the Russian nuclear industry maintain that the delay in progress along this line is mainly of a financial nature.

Sources close to the Russian nuclear industry say in this connection that it is possible to utilize part of the surplus Russian weapons-grade plutonium in the mixed oxide fuel of light-water reactors (LWR). And come back to the fast-neutron reactor option some time later. In all probability, implementation of this idea will become one of the main programs in the development of the Russian nuclear industry's export potential.

However, a number of organizational and technological problems block the path of implementation of these plans. Russian specialists believe that implementation of this program could be more effective if other countries with developed nuclear capabilities, and experience of the production of MOX fuel assemblies and their utilization in LWR's, joined it. The initiative came from Canada, which proposed the idea of utilizing Russian weapons-grade plutonium in AES's [nuclear power stations] with CANDU [Canadian deuterium uranium] reactors.

Generally speaking, the proposed technological scheme looks like this:

1. Transferring metallic weapons-grade plutonium into oxide form at a military-industrial unit in Russia.

2. Mixing plutonium oxide with depleted uranium in order to obtain MOX fuel with the required plutonium-239 content.

3. Manufacturing fuel assemblies meeting Canadian standards for CANDU reactors.

4. Loading assemblies into two CANDU reactors on the territory of Canada.

It is envisaged that MOX assemblies could be manufactured at a Russian plant specially built for this purpose.

The estimated quantity of weapons-grade plutonium to be "burned" is one tonne a year per reactor (with two operating reactors an estimated 50 tonnes of plutonium will be utilized over 25 years). According to some Ottawa representatives, the spent fuel from CANDU-type reactors, along with that of this type of reactor operating on natural uranium, will be buried on the territory of Canada. The United States' participation in the project is doubtful, since its official policy for the development of nuclear power generation practically rules out the use of plutonium in the nuclear fuel cycle.

Preliminary appraisals of the Canadian proposal show that it may represent an interest for Russia in political, economic, and social respects.

Successful implementation of a project envisaged to last 25 years could help solve several problems. First, it would ensure transparency in the utilization of plutonium freed as a result of dismantling nuclear weapons, and through this, guarantee the irreversibility of the nuclear arms reduction process. Second, it would create an additional source of foreign currency earnings. Third, it would create new jobs, permitting more effective utilization of the intellectual potential of specialists in the Russian nuclear-industrial complex.

Nevertheless, in order to ensure the project's unquestionable profitability, an in-depth look at its economic aspects is needed. In this, special attention should be paid to the main parameter, which may play a decisive role in making the final decision—determining the production cost of MOX assemblies at Russian enterprises, which includes both the cost of the initial weapons-grade plutonium and expenses on enterprise construction and outfitting with the needed machinery. In addition, the cost of transporting the assemblies from Russia to Canada must be included.

Because it is difficult to guarantee that the answer to the aforementioned question will satisfy both parties, the idea is being put forward of expanding the number

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of partners participating in the project by attracting countries that are geographically closest to Russia and have considerable experience in the production and utilization of MOX fuel. For instance, Great Britain and France. In Russian experts' opinion, such countries could participate in the project to a varying degree.

The first LWR-based AES in Britain, brought on line in 1995 in the city of Sizewell, apparently could become a potential consumer of MOX assemblies made in Russia. England perhaps also could participate in setting up in Russia the technology for manufacturing MOX fuel and assemblies for LWR's, which is relatively new for the latter.

With respect to France, the question of importing MOX assemblies is unlikely to become topical, since it plans to ensure in the near future a complete balance between production of industrial-grade plutonium from spent AES fuel and its consumption in LWR's in the form of MOX fuel. Nevertheless, taking into account the huge practical experience France has in this area, it probably could, with some benefit to itself, join the international project, whose final goal could be the mutually profitable export of MOX assemblies from Russia to a rather extensive number of interested countries. There are also other countries that are potential candidates for participation in the project—for instance, Germany and Belgium. Overall, in itself the idea of bringing foreign partners into solving the problem of utilizing Russian weapons-grade plutonium appears to be quite productive and deserves serious consideration.

***Directive Adds New Sections to International Flight Routes**

954E1250A Moscow ROSSIYSKAYA GAZETA in Russian 10 Aug 95 p 6

[Directive No 1069-r of RF Government of 29 July 1995, signed in Moscow by RF Government Chairman V. Chernomyrdin]

[FBIS Translated Text] 1. The Russian Ministry of Transportation is hereby authorized to allow the use of the following sections of air lanes for international flights:

Belyy—Pechory—57°49.8'N, 027°33.7'E;

Gorka—Osmino—58°50.6'N, 027°28.2'E;

Roshchino—42°41'N, 135°27.4'E;

46°50'N, 136°20'E—44°40'N, 136°39'E—41°39'N, 136°47'E;

Omolon—Takhtoyamsk;

Okha (Novostroyka)—47°39.4N, 142°02.3'E;

Okha (Novostroyka)—Balagannoye;

Petropavlovsk-Kamchatskiy (Yelizovo)—Ust Kamchatsk—Tilichiki—Anadyr;

Tyumen (Roshchino)—Yarkovo—Tobolsk;

Novyy Basyugan—Tobolsk;

59°14'N, 162°37'E—Tobolsk;

Tobolsk—Nizhnyaya Tavda—Tyumen (Roshchino);

Bomnak—49°05'N, 134°28'E;

Novolokti—Talmenka;

Talmenka—53°21'N, 084°24'E;

Gorno-Altaysk—49°15.2'N, 087°28.9'E;

Blagoveshchensk—49°06'N, 132°04'E;

Blagoveshchensk—50°54'N, 127°32'E—51°19.5'N, 127°40'E—52°00'N, 127°40'E;

Blagoveshchensk—Srednebeloye—52°00'N, 127°40'E—53°44'N, 127°13'E;

Nizhniy Novgorod (Strigino)—Buturlino;

Buturlino—Alatyr—Ulyanovsk—Nikolskoye—Nizhneye Sancheleyevo—Samara (Kurumoch);

Shumerlya—Kazan;

Lyskovo—Buturlino—Golitsyno—Penza (Ternovka);

Smolenskaya—Agoy;

Muravlyanka—Oktyabrskiy.

2. The Russian Ministry of Transportation will draft the conditions for the use of the sections of international air lanes listed in Subsection 1 of this directive and institute them with the consent of the Russian Ministry of Defense.

[Signed] V. Chernomyrdin, Chairman of the Russian Federation Government

***MFA Official Lukov on Russia's National Security Concept**

954E1250B Moscow KOMMERSANT-DAILY in Russian 29 Jul 95 p 3

[Article by Vadim Lukov, chief of the Foreign Policy Planning Administration of the Russian Ministry of Foreign Affairs: "The Art of Neutralizing Non-Military Threats"]

[FBIS Translated Text] *The work on the Russian doctrine of national security has reached the important*

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stage of the coordination of its basic principles and objectives. The Federation Council's Committee on Security took the first step in this direction a few days ago by organizing and conducting the appropriate hearings. The Russian Ministry of Foreign Affairs understandably plays the leading role in defining the foreign policy objectives of the doctrine. Vadim Lukov, chief of the Foreign Policy Planning Administration of the Russian Ministry of Foreign Affairs, has been kind enough to share his understanding of these objectives with KOMMERSANT.

Economic Security

All of the talk about the absence of a Russian national security doctrine was engendered by two circumstances. First of all, the elaboration of this doctrine has not been completed yet and it is still classified at this time. Second, even experts have trouble imagining how a consistent national security doctrine that is acceptable to the majority of the population can be elaborated in a country where the public mind is torn between nostalgia for the impressive external features of the "great and mighty USSR" and a reluctance to return to the past. Nevertheless, there has been considerable progress in the work on the draft doctrine. Without going into the details, I can list the following fundamental elements of the safeguarding of Russia's international security.

Just as any other doctrine, the Russian one includes a definition of its goals, the group of resources required for their attainment, and its strategy—defining the main spheres of action. I will begin by discussing the goals. The aim of Russian foreign policy is the creation of the kind of international environment that will promote the realization of Russia's interests and the interests of its citizens in the world economy and in the spheres of humanitarian cooperation, military security, and ecology. The neutralization of threats of a non-military nature is the highest security priority. The reason is that there is little danger of a direct military attack on Russia today. It is highly possible, however, that the country will be the target of so-called "structural duress" and become involved in a system of international economic ties that will lead to the degradation of the economy, the perpetuation of the low standard of living, and the deterioration of environmental conditions.

The source of this threat is not an "international conspiracy" against Russia, but the difficulties caused by our reforms. The dramatic reduction of the domestic market has sent Russian enterprises racing to the international market. Paradoxically, although industrial output in Russia was reduced by 50 percent in just four years, the "Soviet" level of foreign trade—over 100 billion dollars—was reinstated in 1994. It is precisely this export fever, at a time of severe structural crisis, however, that could perpetuate Russia's position in the world economy as a supplier of semimanufactured goods and raw materials. It will be extremely difficult to emerge from this niche. This is the reason for the main objective in the sphere of economic security: the need to create an effective system to regulate the speed of integration in the world economy at a time of recession and delays in the stabilization of the economy. That is why Russian diplomacy has been increasingly concerned about economic issues in addition to the traditional aspects of security—political and military.

The first of these issues is the means of striking the best possible balance between Russia's rights and obligations in international economic and financial cooperation, a balance which would eliminate the discriminatory restrictions of the cold war era without forcing the Russian economy to adhere to the rules of play in the world market that are still beyond its capabilities. The Russian Ministry of Foreign Affairs is frequently criticized for its "nonchalant" approach to the question of the country's membership in the ITO, but the critics usually cannot say what would happen if Russia were to join it tomorrow. What kind of "cuts" would this require in subsidies and preferential credits? How low would customs duties have to drop? The ministry is still doing the groundwork, trying to secure consideration for Russia's distinctive features during the definition of the specific procedures and stages of the country's assumption of GATT/ITO commitments.

The second issue, which is an unavoidable offshoot of the first, concerns the means of surmounting the present imbalance in the lobbying capabilities of Western business here and Russian business in the West. The vigorous work of such agencies as the Russian Government's Advisory Council on Foreign Investment can only be applauded. It is effectively promoting the growth of the still meager flow of private Western investments. Russian business, however, regrettably lacks anything even close to this for the promotion of its interests in key foreign markets. It would be naive to rely only on the efforts of diplomats and occasional government delegations. A network of lobbyists representing our business associations and large enterprises abroad must be established as soon as possible. The first step in this direction could be the creation of the Russia-EC Chamber of Commerce with the participation of the largest firms and national chambers of commerce in Western Europe and Russia. This chamber could become a prestigious channel for the representation of the Russian business community's interests in such bodies as the European

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Parliament and the Commission of the European Communities.

The third issue concerns Russia's guaranteed access to energy resources and the strategic routes of transit shipments abroad. The failure to solve this problem has had a particularly serious effect on the Caspian zone. Paradoxically, the public is disturbed by the remote prospect of NATO's growth, but only the Ministry of Foreign Affairs and one or two other agencies are trying to prevent the anticipated division of the Caspian zone into national sectors at some time in the next few months. This could raise serious questions about Russia's access to the 12 billion tonnes of conventional fuel located nearby, so to speak. If this should happen, Russia would be forced to continue the increasingly expensive exploitation of oil and gas deposits in the north, and its oil exporters would acquire an extremely dangerous competitor. The expectation that "Lukoil" will manage to get a share of the Baku consortium's resources is reminiscent of the old hope of generous alms on the church steps.

The approach to the strategic problem of diversifying channels for the transit shipment of energy resources to Western Europe is distinguished by similar imperturbability. Despite several government resolutions, technical and economic feasibility studies of the Burgas-Alexandroupolis pipeline, which would be of vital importance to Russia, have not been completed yet. They say there is no money for these studies, but then how will the construction project itself be financed?

The use of seemingly secured positions in the economies of other states entails similar problems. One example is the situation in the "Ikarus" plant, the largest enterprise producing buses in Eastern Europe. It is on the verge of bankruptcy, but its Russian co-owner, the "ATEKS" joint-stock company, is in no hurry to invest capital in the rescue of production facilities needed by Russia and the Hungarians. The embassy's numerous proposals on ways of saving "Ikarus" are like the cries of the voice in the wilderness.

The protection of the rights of Russians abroad is a new priority of Russian security policy in the international sphere. It was not a separate issue in the days of the USSR. It was assumed that if the interests of the state were secured abroad, the rights of Soviet citizens would also be secured automatically. Today, however, securing the interests of our fellow citizens and fellow countrymen in the CIS countries and Baltic states is a major problem. Its critical nature can be judged from the scales of migration to Russia in 1994—254,500 people. The Ministry of Foreign Affairs is solving this problem with a combination of general (laws and treaties) and particular (methods chosen for each specific case) means of protecting the rights of Russians. The signing of the CIS conventions on the protection of the rights of members of ethnic minorities and on human rights represents a major advance in this area, but Russia does not plan to rely only on these conventions: It is setting up an extensive network of consular agencies in the CIS countries with the largest Russian-speaking communities. Eighteen new consulates-general will be opened in Ukraine, Kazakhstan, and several other states in the next three years. Solving the problem of financing the consular establishments of the Ministry of Foreign Affairs will be the main objective in this sphere.

Military Security

Questions of military security are naturally the primary concern of the Ministry of Defense. The Ministry of Foreign Affairs keeps an eye on political conflicts and on the plans of other states capable of posing a military threat to Russia. In this context, the continuation of the unresolved local conflicts close to the borders of Russia and the outer borders of the CIS is particularly disturbing. In combination with the porosity of the borders of the post-Soviet territory, this is bringing the threats closer to Russia's central regions and directly to Moscow. Here is just one statistic. In 1994 at least 30 tonnes of strong narcotic drugs entered Russia across the Afghan-Tajik border, and this is only the "rough estimate" of the border guards.

Russia created some of its military-political problems. Why should anyone listen to the talk about the attempts of NATO and the WEU to "isolate" Russia when the Ministry of Finance cannot even allocate the funds to send a handful of Russian officers to the NATO seminar in Brussels or one or two ships to the joint exercises with the naval forces of the WEU countries! The implications of the shortage of funds for our disarmament programs, particularly the program for the elimination of chemical weapons, are even more serious. This could result not only in the violation of international commitments, but also in the intensification of our acute ecological problems.

Information Field

There is another aspect of Russia's international security—the creation of a "field" of cultural and informational influence abroad. If Russia does not establish it, others will. Furthermore, there is no guarantee that the image of Russia on foreign television channels and in foreign newspapers will be accurate and will serve Russia's interests. Today there is no such "field"—or even a small "patch of lawn." Russia's traditionally strong cultural ties with the East European countries

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and with many of its partners in the CIS virtually fell apart for the most banal reason: the lack of state subsidies. Our satellite television broadcasts to Central Europe are being curtailed, while EC broadcasts are increasing dramatically. It is a miracle that one Russian television channel has managed to survive alongside three Western channels in Belarus. In other words, there is an urgent need for a program for the restoration of Russia's influence in science, culture, and all of the liberal arts in Eastern Europe and the CIS countries.

In the geographic context our highest priority is the CIS. The main goals determining Russia's security interests in this area are progress in integration, the transformation of the CIS into an effective regional organization, the guarantee of stability throughout the Commonwealth, and the reliable protection of its external borders; the resolution of local conflicts; and the protection of the rights of fellow countrymen. Russia has more than enough problems in all of these areas, but we must admit that we did not start merely at zero, but with a negative score, stemming from the strong centrifugal tendencies among the former Soviet republics. There was no experience whatsoever in the establishment of interstate relations with them. Nevertheless, the CIS took shape more quickly than the European Union did in many spheres. In particular, it took Western Europe more than 10 years to set up a customs union, but the customs union of Russia, Belarus, and Kazakhstan took only 4 years to establish. In relations with the CIS in general, one of the main security issues will be the optimal coordination of the speed of Russia's economic recovery with the speed of integration, which is certain to be more of a liability than an asset to Russia in the beginning.

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Political Issues

Political Leaders on Ruble Debate

954F3058A Moscow MOSCOW NEWS in English 14-20 Jul 95 No 27, p 7

[Material prepared by Yelena Kolokoltseva and Vladimir Gurevich: "Hot Debate on the 'Green Corridor' in the Corridors of Power"; first paragraph is introductory paragraph]

[FBIS Transcribed Text] Political futures is the new Russian game. Some are counting on success of the present monetary policy, others on its failure. The "bulls" and the "bears" have laid down their cards in a game of high stakes.

Yegor Gaidar, Russia's Choice faction: The decisions are quite right but rather late. It should have been made two months ago. As for the thresholds of this corridor, I hope the government will be able to defend them.

Gennady Zyuganov, Communist Party faction: The present financial measures prove one more time that the government is unable to solve any problems.

Alexander Shokhin, former vice premier, PRUA faction: The present monetary policy bears witness to the fact that financial stabilization has already occurred. The Central Bank (CB) is now able to maintain the exchange rate by pure economic means, without resorting to devaluation or revaluation. If the CB manages to keep the course without emission, this will be its greatest achievement.

Mikhail Zadornov, Yabloko faction, chairman of the Duma's Budget Committee: The current measures of the government were no surprise to me. The results of the government's and the CB's monetary policy in May and June made it clear that the former course was no longer efficient. The thresholds put on the dollar are rather confusing: this is not a corridor but a real "avenue."

I fear, however, that the government has overestimated its hard currency reserves.

Tatyana Paramonova, acting chair of the Central Bank: We would not have dared to make this move without sufficient currency reserves. We assumed the obligations and we shall meet them.

Vladimir Panskov, RF Finance Minister: If we prove unable to accomplish the posed task I will resign. **Boris Fyodorov, leader of Forward Russia movement:** The introduction of the fixed exchange rate in the form of a "currency corridor" suggests that the government is not confident in the recent stabilization and fears a new wave of inflation to come. It has no distinct strategy because until recently high-ranking officials denied the possibility of pegging the rate.

This move of the government and the CB will not encourage stabilization. The structure of our economy and foreign trade suggests that a pegged exchange rate in any form would make the life of exporters worse and would promote increased food and consumer goods imports. Moreover, such a move makes sense only when other measures have proven efficient. However, is there any confidence about that?

During the first quarter of this year the budget deficit accounted for 3.5 percent of the GNP and in May the figure was already 9 percent. Money supply (M2) increased in May and June by approximately 15 percent per month which was more rapid than earlier this year. Finally, this year, both in the first and the second quarter, prices are growing more rapidly than in the previous year. As for the exchange rate, it also did not change from June to September in 1993 when I was the finance minister. However, nobody, including me, claimed that stabilization had been achieved and that all problems had been solved.

One could think that a government talking about stabilization would like to bring down inflation expectations. However, it will become obvious in the end that it is impossible to cheat the market. Moreover, by imposing this corridor until a fixed date (October 1) the authorities themselves have set a reference point for speculations and leaps of inflation. Nobody has explained what will be done after October 1 to prevent panic in September. If they wanted to impose a corridor they should not have specified the date. In my opinion, the upper threshold of this corridor will be exceeded in early September and one can expect the start of a new currency fever in early October.

Lipitskiy-Rutskoy Conflict Coming to Head

954F3055A Moscow MOSCOW NEWS in English 14-20 Jul 95 No 27, p 2

[Article by Tatyana Skorobogatko: "Court Recognizes Rutskoi as a Social Democrat"; first paragraph is introductory paragraph]

[FBIS Transcribed Text] For the first time in Russian history, an internal party conflict has become a full-scale trial.

The leadership of the Russian Social-Democratic People's Party (RSDPP), which until recently was called "Rutskoi's Party," released a document with a request "not to accept any materials about the RSDPP from persons who have nothing to do with the party." The authors of the announcement are referring to Vasily Lip-

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itsky. They back their position by citing the decision of the Moscow Tverskoi inter-municipal court, which obligates Lipitsky "to pass all the party documents to the leadership of the RSDPP."

The situation is paradoxical, since it is Lipitsky who is considered as the party's chairman by many of its ordinary members. They maintain that the decision of the party's federal council to suspend Lipitsky from his post was illegal. Now Rutskoi's men are insisting that the Tverskoi court decision was fulfilled, while their opponents say they will bring this argument to the municipal court.

According to Lipitsky's supporters, the case of the party documents is of minor significance for them. The upcoming parliament elections and the party's preparation to run for parliament as a part of the Russian Social Democratic Union, whose co-chairman is Lipitsky, are considerably more important.

Rutskoi, as always, is playing the part of a moving spirit. After heading the social-patriotic Derzhava movement, he by no means wants to part with the organization called social-democratic. This is understandable because Derzhava alone will not be able to cope with all the necessary pre-election activities. Instead of shifting to clearly patriotic positions, Rutskoi's supporters now are trying to reform the RSDPP, expounding on the ideological proximity between social democracy and social patriotism.

Pragmatic reasoning, not only by the party's leadership but also by its regional branches, is what hampered the civilized division within the organization. Many failed to decide which option is more attractive: Rutskoi's patriotic zeal, or Lipitsky's social democracy. They finally chose the original way becoming collective members of both the Derzhava and Social-Democratic Union. I only pity the ordinary voter, who has already gotten mixed up in the illogical turns of Russian politicians.

*Deputies' Opinions on Government's Activities, Prospects

954F3126B Moscow MOSKOVSKAYA PRAVDA in Russian 26 Jul 95 p 9

[Opinions of deputies]

[FBIS Translated Text]

Alesandr Vengerovskiy: 1. The actions of the government are similar to Brownian motion, because the chosen team does not express any interests and the ministers do not sense the voters behind them. The present government is not a coalition government. It is not any government at all, for it is colorless. If in 1993 or thereafter one had truly recognized the existence of the victorious parties that have a definite electorate and the right to participate in the formation of the government, then there would be a balance of political interests in the parties that takes into account the opinions of the voters. Then the government would be dealing more with internal agreements than with the procedure for "butting" from the lower house of parliament. In such a situation, until recently the president could have gone for a force version of dissolution of the State Duma. But he did not. I think that this is the first call for a Chernomyrdin government. The second call will be in December, when "Our House—Russia" will either have a small number of inhabitants or will be outside the borders of our Motherland.

2. The game that is now being played with respect to the dollar and all these ruble-dollar corridors that lead nowhere shows that the government is engaged in the preservation of its status quo. Therefore, many ministers would be pleased by a general resignation so that they would not have to answer for the failure of this year's budget (and naturally it will fail), for this is a hopeless endeavor that for the politician as well as the professional would mean slow agony with the background of the social troubles in the country. I think that Chernomyrdin will be a "scapegoat" for all the actions of our politicians. This is why the president made the decision as a result of which the State Duma was preserved, the force ministries went away, and the government that pedaled this situation remained with greatly diminished authority.

Sergey Glazyev: 1. The government is assuring the people of a rapid stabilization, while a process of degradation and dissolution is under way in the country. Does the government know that one-third of the population will be going hungry by the end of the year? In the two years that this government has been in power, we have been deprived of one-fourth of our economic and one-third of our industrial potential and science-intensive industry has been almost fully demolished, thereby substantially undermining the country's defense capability and its possibilities for future economic growth. So even if the government really has good intentions as it claims, the way that it is leading us is truly the way to hell.

2. The draft budget for 1996 contains some good ideas with which one can agree. For example, support for high-tech branches of the national economy and the strengthening of the economic potential. But these are just words. An analysis of the statistics for the first six months and of the draft budget for the next year showed that Russia is threatened by total structural degradation of the economy and the government is demonstrating complete helplessness in the fight against depression.

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The government is pursuing its own game and it is not interested in order in the economy and in the health and well-being of the people. It is engaged in the division of property and the conferring of unjustified privileges. It is not advantageous for it to yield its positions at this time: its task is to hold on until the end of the second stage of privatization.

Mikhail Zadornov: 1. In the economy, the government set for itself the goal of reducing inflation to 1 percent a month by the beginning of the second half year and the end of the decline in production. It was for this purpose that wages and all social payments were "squeezed." As a result, real wages has been reduced by almost 30 percent over the past year and the incomes of the absolute majority of citizens have fallen. And for this purpose the defense order and investment projects were only half financed. But the result is zero. Production continues to decline and inflation in the first half year was not less than last year. This is a failure of economic policy.

2. My forecast: an increase in inflation in the fall, spasmodic efforts of the government and Central Bank to "squeeze" the money supply, a search for guilty parties inside and outside the government, and a further decline in the standard of living. The need to change economic policy will become obvious.

Aleksandr Titkin: 1. Very negative.

2. Poor prospects. The government has abandoned the country. Its objective is total economic collapse and victory in the elections after the total economic collapse.

Stanislav Shatalin: 1. Very unsatisfactory. We must be grateful to the people who, following their own intuition rather than official government policy, still bear the military-industrial complex on their shoulders: only its existence still allows one to identify Russia with a major power.

2. Gloomy. One can only forecast an increase in inflation to 10-11 percent, the loss of all dollar holders, and the further destruction of vital branches—agriculture, machine building, science, and education.

	How do you assess the actions of the government in the first half year?	What, in your opinion, are the prospects for the second half year under the present government and its course?
Aleksandr Vengerovskiy, deputy chairman of the State Duma	1.28	0
Sergey Glazyev, chairman of the Economic Policy Committee of the State Duma	0	0
Mikhail Zadornov, chairman of the Committee for the Budget, Taxes, Banks, and Finances of the State Duma	3	3
Aleksandr Titkin, member of the Council of the Federation	3	0
Stanislav Shatalin, academician and president of the international fund "Reform"	0	0
Average	1.46	0.6

From 0 to 2—disgusting, very bad; 3 to 5—tolerable, satisfactory; from 6 to 8—good, quite proper; 9 to 10—excellent

*Zorkin, Luchin Explain Dissenting Opinions on Recent Chechen Ruling

954F2973A Moscow SOVETSKAYA ROSSIYA in Russian 3 Aug 95 pp 1-2

[Comments by Constitutional Court Justices V.D. Zorkin and V.O. Luchin, transcribed by Galina Sedykh, under the common heading: "Dissenting Opinion. Far From All of the Members of the Constitutional Court Voted in Support of the Actions of the President of the Russian Federation in Chechnya"]

[FBIS Translated Text] **The Constitutional Court of Russia has handed down its verdict on the so-called Chechen question. Of 18 justices, six voted against, and among them four have a dissenting opinion on**

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the case under consideration. In what does it consist? Why, in view of what circumstances, did it appear? It was with a request to answer these questions that we turned directly to members of the Constitutional Court V.D. Zorkin and V.O. Luchin.

[Begin boxed item] Radio Svoboda maintains that all seven justices [as published] who came forth with dissenting opinions belong to the old complement of the Constitutional Court, which was selected back before the October events of 1993. Perhaps the reason is that these justices felt on their own hide what the arbitrary introduction of a state of emergency is, when on 4 October 1993 they awaited the dispersal or arrest of the Constitutional Court, and that, to the accompaniment of the tank cannonade at the White House, seemed perfectly realistic. [End boxed item]

V. Zorkin

An extraordinary situation has taken shape, and one can define it variously and endlessly, but we are dealing with something that goes beyond the boundaries of the norm. One can assess what happened in different ways, but for the court, the main thing was to clarify the scope of what took place in Chechnya, not only, incidentally, in December of 1994 and later, but also before that. Therefore, when people say that "this is not important," they are mistaken. We are not talking about ordinary measures, which are written in the law "On the State of Emergency" or in the law "On Defense," or even directly in the text of the Constitution. Looking into this at the trial, we became convinced that there is no direct record. Nevertheless, the president made use of powers. That means he made use of them as applied to some unusual situation, but could he not use this with respect to any other?! And if not, then that which took place in Chechnya should have been given a judicial analysis. The question arises: Did the court give such an analysis? My answer is no. There was no investigation. The court was told: "The Dudayev regime is there, which has armed itself as a professional army, unlawful bandit formations...." Have we got proof that such was in fact the case? No.

If the disarmament of illegal armed formation takes place, that is one thing, but if it is a military conflict, that is another. Then a question arises again, what kind of military conflict—a local armed incident, or a civil war, or, perhaps, a foreign war? I do not answer that question confidently, because I do not know. But I am convinced that only particular circumstances, information of an extraordinary, high character in its scope and level, could have forced the head of state to do what he did. The president was obligated to protect the constitutional order, the integrity of the state, the rights of the citizens, but with what measures? That we did not in fact clear up. The president did not tell, as the representatives of the presidential-governmental side also did not tell.

Further, when the extraordinary measures were taken, as it turns out, we are told that it was not possible to implement the law "On the State of Emergency," and it was not possible to apply the law "On Defense"—all that, they say, is obsolete and not suitable for the given situation. Fine. Then, in order to regulate such cases, publish an edict of a general nature, not in conformity with Chechnya, and give it to the legislators for signature. But the president for some reason did not do that, although from 1991 to 1994 was sufficient time to avert such situations.

We did not elucidate the format of the Chechen events, did not make commensurate the measures taken as against what took place, did not receive information on that score, which means, speaking in judicial language, that we do not have the evidentiary basis to resolve the given question. And we began to resolve it proceeding only from the literal text of normative acts, which we examined without taking into account the factual circumstances and the practice of applying the law. They say that that is not the business of the court. Pardon me, if in the text of the edict it is written: to declare "outside the law" or to apply "all necessary means," then what was adopted there, in actual fact? We get the answer: "It is within the framework of the Constitution, within the framework of the law." But we need to be convinced of that. How is it possible to do that without having studied a single order of the Ministry of Defense or of the other power departments? For instance, the court ruled to dismiss the edict of 30 November, because it had been repealed on 11 December. But what measures were passed on its basis? Have human rights been violated? That has not been investigated at all....

As a result, the scope of what happened in Chechnya, the measures that were taken, have not been clearly defined by the president and have not been cleared up by the court. From one side, there is the Army, which behaved like Field Forces; from another side, the civil administration, appointed by the government; from a third side, television, which broadcast it in open fashion.... Where does all this come together, where is the logic? From a juridical point of view, you get an absurdity, and we are becoming hostages to that absurdity.

What do we end up with? The impossibility of clearing up all that took place, in my view, did not permit the court to set to making a ruling. Unfortunately, the court did not make use of my proposal to extend the session, for the court's ruling, insofar as it is confined to the

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literal text, without penetrating into sense and practice, contradicts the law. Every judicial organ has its own task; ours is to elucidate in the light of constitutionality. Otherwise, giving a literalist interpretation (which was what was done), the court unwittingly finds itself in degrading blindness and becomes hostage to political passions and ambitions. But after all, we are talking about fundamental things, matters of principle. Under these conditions, I as a justice could not vote "for."

As a result of this ruling, the court has taken up a literalist point of view, has virtually accepted the arguments of the representatives of the presidential-governmental side, justifying the edicts and decrees in which the Army is put into service. Does that mean that the Army is to blame for everything? I am categorically against stating the question in that way, and even more against a ruling that would give grounds for such an interpretation.

I believe that the session should have been extended, that the true state of things should have been cleared up, and only then would it have been possible to make a ruling that no one could have subjected to doubt, neither from a professional nor a moral nor a political point of view.

Nevertheless, the ruling of the Constitutional Court is final; it has the force of law and is not subject to appeal, although I was against it and have a dissenting opinion on this, which I am explaining to the readers of SOVETSKAYA ROSSIYA.

V. Luchin

I cannot criticize, and much less discredit, the decision adopted by the majority of my colleagues, and, in explaining my dissenting opinion, I am only defining my own legal position. But I cannot confine myself to silence, only voting against. The resolution of the question in the Constitutional Court goes beyond the framework of those events that took place in the Chechen Republic, for here, as on a testing range, ways are elaborated, directions of the development of our society and the state as a whole.

For me, the question of the constitutionality of the edicts and decrees of the government is a continuation of that discussion that took place, in particular, between me and a representative of the president's side on the so-called CPSU trial, which made a stand for the license and absolute power of the president, based on his own assessments of this or that situation that had taken shape, and on his own opinion upon the adoption of certain measures. I warned then that it is very dangerous when the Constitutional Court promotes the consolidation of authoritarianism, when it closes its eyes to the fact that the president considers himself not to be bound to the Constitution and the law. Therefore, it must not be tolerated for the head of state to operate only on the basis of "expedience," according to his own discretion. Later, these fears were confirmed: He broke up the Congress, the Supreme Soviet, and among other things he tolerated arbitrariness with regard to the Constitutional Court itself, suspending its powers. And now, after the adoption of the new Constitution, he ought to be very proper with regard to the Basic Law of the Russian Federation. However, the president feels cramped even within the framework of his own constitution.

I voted against because I part ways in opinion with the majority of the justices on substance, and I believe that the acts of the president and the government do not conform to the Constitution, since they allowed the use of the Armed Forces for the resolution of an internal conflict, with massive violation of rights and freedoms of citizens, including human casualties and the ruin of the social infrastructure on the territory of the Chechen Republic.

Something else that is very important: I see the unconstitutionality of these acts in the decisions of the president and the government, which were not supported by their specific powers. References to numerous articles of the Constitution in actual fact do not corroborate the right of either the president or the government to use the Armed Forces. The only one was Edict of the President No. 2166 of 9 December 1994, whose constitutionality the court verified and came to the conclusion that its bases were Articles 71, point "m"; 78, Part 4; 80, Part 2; 82; 87, Part 1; and 90, Part 3. I can in no way agree with this.

Let us analyze together point "m" of the Russian Federation Constitution article. About what does it speak? About the fact that defense and security, the conduct of defensive action, the determination of the procedure for the sale and purchase of arms, and so forth, are conducted by the Russian Federation. Not the president, but the Russian Federation as a whole. Its powers are carried out by both the president and all the branches of federal power: the legislative, the executive, and the judicial. Was it really possible to come to the conclusion from this that the head of state had the right to use the Armed Forces or to give that right to the government?! I think that there are no grounds for this. This also applies to the other articles as well.

I voted against also because I view as unconstitutional the edicts of the president and the decrees of the government in the establishment of an extraconstitutional regime on the territory of Chechnya. They destroyed

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the usual regime, but introduced neither a state of emergency nor martial law, but essentially set up a regime of so-called federal intervention. Such a regime is known neither to the Constitution nor to Russian Federation legislation.

The adopted acts to establish a constitutional order are noble in their goals and tasks, and it seems that one cannot doubt their legality. There are in them no calls or authorization to kill, destroy, or restrict rights, but they permitted these events, these violations. Therefore, in order to understand the genuine sense, one must not stop only at the literal reading, be satisfied with an analysis of formulations in words of these edicts and decrees.

Although the ruling is made, and not subject to appeal, nevertheless, a dissenting opinion is the position of a justice, and if several justices make such a declaration, then, probably, for those who are concerned with these events, concerned with the implementation of the decisions of the Constitutional Court, there is something to ponder. I see a danger in the ruling made, because the president and his entourage could perceive it as the liberation of the head of state from any legal or constitutional constraints, that he now has the right to independently, at his own discretion, assess any legal situation and to select those measures with respect to guarding the sovereignty of the Russian Federation, its independence and state integrity, that he considers expedient. And this is very dangerous.

*Electoral Commission Sets Procedures for Campaigns, Elections

*Clarification on Forming Electoral Blocs

954E1244A Moscow ROSSIYSKAYA GAZETA in Russian 9 Aug 95 p 5

[Clarification: "Clarification of the Procedure for Forming Electoral Blocs, Their Registration by the RF Central Electoral Commission, and the Nomination of Candidates for Deputy by an Electoral Bloc"]

[FBIS Translated Text]

General Principles

In conformity with Part 1 of Article 33 of Federal Law "Elections of Deputies to the State Duma of the Federal Assembly of the Russian Federation: (hereinunder the Federal Law), electoral blocs can be formed by no fewer than two all-Russian public associations, each of which is an electoral association.

In conformity with Part 1 of Article 32, Article 71 of the Federal Law, and Article 2 of Federal Law "Basic Guarantees of the Electoral Rights of Citizens of the Russian Federation," an all-Russian public association acquires the status of an electoral association if, in conformity with federal laws, it has been registered by RF Minyust [Ministry of Justice] no later than six months prior to the election day and its charter stipulates participation in elections to agencies of state authority by means of the nomination of candidates.

I. Procedure for Forming Electoral Blocs

The process of forming an electoral bloc begins with the agreement of the governing agencies of the all-Russian public associations to create an electoral bloc. In conformity with Part 3 of Article 33 of the Federal Law, every public association that proposes to enter into the electoral bloc is required to discuss that question at a congress (conference). Only the congress (conference) of the public association has the right to make that decision. The decision of the congress (conference) can be made by means of secret or open voting, depending upon the requirements stated in the charter of the public association.

At the same congress (conference) the public association appoints its representatives, who are authorized, in conformity with the Federal Law on elections of deputies, to represent the electoral association, including during the making of a joint decision of the public associations concerning the creation of the electoral bloc. The decision of the congress (conference) concerning the appointment of the authorized representatives can also be made by means of a secret or open vote. The decision must indicate: the right of the authorized representatives to sign the joint decision concerning the formation of the electoral bloc; their last names, first names, and patronymics; and their position in the public association.

The joint decision of the public associations concerning the creation of an electoral bloc is made according to the procedure, norms, and rules established by the public associations on the basis of coordination with one another, is signed by the authorized representatives of the public associations, and is certified by the seals of the public associations.

It is necessary to keep in mind that an all-Russian association, in the event that it becomes part of an electoral bloc, cannot act during the period of conducting the election as an independent electoral association and cannot become part of another electoral bloc (Part 2 of Article 33 of the Federal Law).

II. Procedure for Registering Electoral Blocs

In accordance with Part 4 of Article 33 of the Federal Law on elections, electoral blocs are registered by the RF Central Electoral Commission.

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Keeping in mind the fact that electoral blocs are formed for the period of conducting a specific election (Part 2 of Article 32 of the Federal Law), their registration can be carried out only after the promulgation of an Edict of the President of the Russian Federation concerning the scheduling of that election.

The following is a list of the documents that must be submitted to the RF Central Electoral Commission in order to register an electoral bloc:

1) minutes of the congresses (conferences) of each public association and the decisions of the congresses (conferences) concerning the entry of the public association into an electoral bloc);

2) the decision of the congress (conference) concerning the appointment of authorized representatives, with an indication of their data and the endowing of the right to represent the public association during the signing of a joint decision concerning the creation of the electoral bloc;

(at such time the electoral associations have the right, in addition to the representative with those powers, to appoint several additional representatives in various areas of specialization for the participation of the electoral association or electoral bloc in the election of deputies to the State Duma);

3) the joint decision of the public associations concerning the creation of the electoral bloc, which has been signed by the authorized representatives of those public associations.

It is recommended that the authorized representatives of the public associations, when submitting the previously described documents, have copies of the certificates of registration by RF Minyust for each public association that is becoming part of the electoral bloc, and the charters of the public associations. The copies of those documents can be certified either by a notary or by the administrators of the public associations, whose signatures must be certified by the seal of the appropriate public association (in the last-mentioned instance the original of the charter is submitted to the RF Central Electoral Commission).

In accordance with Part 4 of Article 33 of the Federal Law on the five days, must make a decision concerning the registration of the electoral bloc and must issue the authorized representatives of the public associations that have become part of the electoral bloc a decree either concerning the registration of the electoral bloc or concerning the justifications for refusing to register it.

III. Procedure for Nominating Candidates and Lists of Candidates for Election as Deputies

After the registration of the electoral bloc by the RF Central Electoral Commission and the publication by it of the list of single-mandate electoral districts, the electoral bloc can hold a joint congress (conference) of the electoral associations, which will decide the question of nominating the federal list of candidates for a federal electoral district and the candidates in single-mandate electoral districts (Part 1 of Article 37 of the Federal Law).

The decision of the congress (conference) of the electoral bloc concerning the nomination of candidates and the lists of candidates must be made only by means of a secret vote (Part 5 of Article 18 of the Federal Law, "Basic Guarantees of the Electoral Rights of Citizens of the Russian Federation"; Part 2 of Article 36 and Part 2 of Article 37 of the Federal Law). The conditions under which the decision is considered to have been made are defined by the assembly prior to the holding of the secret vote.

The decision of the assembly of the electoral bloc must indicate the last name, first name, and patronymic, date of birth (day, month, and year), place of work, position occupied, and type of work), and place of residence of each candidate. In addition, the decision concerning the nomination of candidates to single-mandate electoral districts indicates the specific single-mandate district in which the candidate will be nominated.

The federal list of candidates, in conformity with Part 4 of Article 37 of the Federal Law on the election of deputies, must be completely or partially subdivided into at least two regional groups of candidates (by subjects of the Russian Federation or by groups of subjects of the Russian Federation).

The leading part of the list, which includes the candidates who are not part of regional groups, can include no more than 12 candidates. The total number of candidates nominated by the electoral bloc for a federal-wide electoral district must not exceed 270 persons.

Simultaneously with the lists of candidates, the documents indicated in Part 1 of Article 38 of the Federal Law are submitted to the RF Central Electoral Commission.

Within three days the RF Central Electoral Commission reviews the submitted documents and issues to the authorized representative of the electoral bloc certified copies of the federal list of candidates (after which the collection of signatures to support it can be carried out), or the justified decision to refuse to issue certified copies

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of the list (Parts 2 and 3 of Article 38 of the Federal Law on the election of deputies).

IV. Procedure for the Simultaneous Resolution of Questions Concerning the Formation of Electoral Blocs and the Nomination of Candidates and Lists of Candidates for Election as Deputies

This version is possible after the publication by the RF Central Electoral Commission of the list of single-mandate electoral districts (no later than 108 days prior to the election day —Part 5 of Article 11 of the Federal Law, that is, no later than 30 August 1995).

For the purpose of saving time and material funds, and in conformity with Part 3 of Article 18 of Federal Law "Basic Guarantees of the Electoral Rights of Citizens of the Russian Federation," the electoral blocs, simultaneously with the submittal to the RF Central Electoral Commission of the necessary documents for registering them, can also submit lists of candidates for election as deputies.

In this regard, when conducting a congress (conference) of a public association where the question of its becoming part of an electoral bloc will be decided, the second item on the agenda can be the question of conducting a joint congress (conference) of the electoral bloc. The decisions with regard to both questions can be made by an open or secret vote.

The public association, simultaneously with this, has the right to define the candidacies for inclusion in the lists of candidates for election as deputies which that association intends to offer for discussion to the joint (combined) congress (conference) of the electoral bloc. The decision with regard to this question is made in accordance with the procedure defined by the public association itself.

First the congress (conference) decides the question of creating the electoral bloc. That decision can be made by means of open or secret vote.

Then there is a consideration of the questions of nominating the candidates for single-mandate electoral districts and the federal list of candidates. The decisions with regard to these questions must be made only by means of a secret vote.

By open or secret vote, a decision is made concerning the appointment of the authorized representatives who have the right, on behalf of the public associations that are becoming part of the electoral bloc, to sign the joint decision concerning the creation of the bloc and who subsequently, in accordance with Article 34 of the Federal Law on the election of deputies, will represent the electoral bloc with regard to all questions of participation in the election, including the financial questions (it is recommended that the number of authorized representatives be limited to the number of public associations that are becoming part of the electoral bloc).

Thus the electoral bloc obtains the opportunity to submit to the RF Central Electoral Commission simultaneously the documents necessary for registering the electoral bloc and for certifying the copies of lists of candidates for election as deputies.

The formalizing and submittal of documents to the RF Central Electoral Commission are carried out in the procedure and volume defined in sections II-III of this Clarification.

Approved by Decree of the RF Central Electoral Commission, 28 July 1995, No. 8/50-P

***Commission Decree on Campaign Financing**

954E1244B Moscow ROSSIYSKAYA GAZETA in Russian 9 Aug 95 p 5

[Decree: "Decree of the RF Central Electoral Commission, 'Instructions on the Procedure for Forming and Expending the Monetary Means in the Election Funds of Candidates for Election as Deputies, Electoral Associations, and Electoral Blocs in Elections to the State Duma of the RF Federal Assembly'"]

[FBIS Translated Text] In conformity with Federal Law dated 21 July 1995, No. 90-FZ, "Elections of Deputies to the State Duma of the RF Federal Assembly," the RF Central Electoral Commission decrees:

To approve the Instructions on the Procedure for Forming and Expending the Monetary Means in the Election Funds of Candidates for Election as Deputies, Electoral Associations, and Electoral Blocs in Elections to the State Duma of the RF Federal Assembly."

[Signed] N. T. Ryabov, chairman of the RF Central Electoral Commission [Signed] A. A. Vishnyakov, secretary of the RF Central Electoral Commission

Moscow, 28 July 1995, No. 8 51-P

***Instructions on Campaign Financing**

954E1244C Moscow ROSSIYSKAYA GAZETA in Russian 9 Aug 95 pp 5-6

[Instructions: "Instructions on the Procedure of Forming and Expending the Monetary Means in the Election Funds of Candidates for Election as Deputies, Electoral

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Associations, and Electoral Blocs in Elections to the State Duma of the RF Federal Assembly"]

[FBIS Translated Text]

I. General Principles

1.1. In accordance with Federal Law, dated 21 July 1995, No. 90-FZ, "Elections of Deputies to the State Duma of the RF Federal Assembly," candidates for election as deputies to the State Duma and electoral associations (blocs) form their own monetary election funds for the purpose of campaigning. The monetary means in the election funds must be kept in special temporary accounts in branches of RF Savings Bank. The right to dispose of the means in the election fund for the indicated purposes belongs exclusively to the candidate or electoral association (bloc) that has formed that fund.

II. Procedure for Forming Election Funds

2.1. The election funds of candidates for election as deputies can be formed at the expense of the following monetary means:

— means allocated to the candidate for campaigning by the district electoral commission that has registered him;

— the candidate's own means, the total amount of which cannot exceed 43.7 million rubles;

— means that have been allocated to the candidate by the electoral association (bloc) that has nominated him and the total amount of which cannot exceed 65.55 million rubles;

— voluntary donations from individuals and legal entities. The total amount of the donation by an individual cannot exceed 874,000 rubles. The total amount of the donation by a legal entity cannot exceed 8.74 million rubles.

The maximum total of the expenses of a candidate for election as deputy at the expense of the means in the election fund cannot exceed 437.0 million rubles.

2.2. The election funds of electoral associations (blocs) can be formed at the expense of the following monetary means:

— means allocated to the electoral association (bloc) for campaigning by the corresponding electoral commission;

— the electoral association's (bloc's)[1] own means, the total amount of which cannot exceed 4,370.0 million rubles;

— voluntary donations from individuals and legal entities. The total amount of the donation by an individual cannot exceed 1,311,000 rubles. The total amount of the donation by a legal entity cannot exceed 87.4 million rubles.

The maximum total of expenses of an electoral association (bloc) at the expense of the election fund cannot exceed 10,925 million rubles.

2.3 For purposes of campaigning, it is authorized to use only the monetary means that have been transferred to the election funds. The acceptance by candidates for election as deputy, or by the electoral association (bloc), of services for their campaigning that are paid by individuals or legal entities that bypass the election fund is viewed as the use of other monetary means.

2.4. The following are not authorized to make donations to the election funds of candidates for election as deputy or of electoral associations:

— foreign states, organizations, or citizens;

— persons without citizenship;

— Russian legal entities with foreign participation, if the share of foreign capital in their statutory capital exceeds 30 percent;

— international organizations or international public movements;

— agencies of local self-government, state and municipal enterprises, institutions, and organizations;

— military units, military institutions or organizations;

— philanthropic organizations or religious associations.

2.5. If the voluntary donations have arrived at the election funds of the candidates for election as deputy or of the electoral associations (blocs) from individuals or legal entities that do not have the right to make such donations, or in amounts that exceed those stipulated by the law, the candidates and the electoral associations (blocs) are required to return those donations to the donors correspondingly completely or that part that exceeds the established amount, with an indication of the reason for the return, pending the issuance of a report to the electoral commission. The return of the indicated sums is carried out by branches of the Savings Bank on instructions from the account holders, minus the expenses of the communications enterprises for sending them. Anonymous donations are transferred to state income.

2.6. Branches of Savings Bank are required to submit information concerning the receipt of funds in the special temporary accounts of the election funds of candidates for election as deputy, and of electoral associations (blocs), to the appropriate electoral commission on Form

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No. 1 (appended) within three days after their receipt. This information is also provided to the candidates for election as deputy, and the electoral associations and blocs with regard to their election funds.

III. Procedure for Opening Special Temporary Accounts and Transferring Monetary Means

3.1. A candidate for election as deputy who has been registered at a district electoral commission and who has received a candidate's identity card acquires the right to open a special temporary account to form his own election fund in a branch of RF Savings Bank, either at his place of residence or in the electoral district where he is running. The candidate for election as deputy is required to report in written form to the district electoral commission the particulars pertaining to the branch of the Savings Bank where he has decided to open the account for his election fund, on Form No. 2 (appended). The account is opened up personally for the candidate for election as deputy upon his submittal to the institution of Savings Bank of his passport, his identity card as a candidate for election as deputy, and a written statement from the district electoral commission on Form No. 3 (appended), which is issued to the candidate within three days after the submittal by him of information on Form No. 2.

3.2. The electoral association (bloc) that has registered the federal list of candidates for election as deputy to the State Duma of the RF Federal Assembly at the RF Central Electoral Commission acquires the right to open a special temporary account at a branch of RF Savings Bank for the purpose of forming its own election fund. For these purposes the electoral association (bloc), after the making by the RF Central Electoral Commission, of the decision concerning the registration of the federal list of candidates for election as deputy, is required, by using Form No. 2, to request the RF Central Electoral Commission to formalize the necessary documents for opening the special temporary account.

The opening of a special temporary account by a Savings Bank branch for an electoral association or bloc is carried out on the basis of a request from the electoral association (bloc), and a written statement from RF Central Electoral Commission on Form No. 3, which is issued to the electoral association (bloc) within three days after the submittal by them of information on Form No. 2, as well as on the basis of two cards that have been filled out in the established procedure and certified by RF Central Electoral Commission, with samples of the signatures of the persons who have been authorized by the electoral association (bloc) to dispose of the means in its election fund, and with an impression of its seal.

3.3. A candidate for election as a deputy, or an electoral association (bloc), has the right to open only one special temporary account for the purpose of forming an election fund.

3.4. The electoral commissions transfer the monetary means that have been allocated to the candidates for election as deputy and to the electoral associations (blocs) for campaigning, on the basis of a written report in which the candidate for election as deputy, or the electoral association (bloc), on Form No. 4. (appended), indicates the particulars pertaining to the account that has been opened by them at a branch of Savings Bank for the purpose of forming an election fund.

3.5. Voluntary donations to the election funds of candidates for election as deputy or of electoral associations (blocs) are accepted from individuals by bank institutions and communications enterprises only after the presentation of a passport or the identify card of a Russian Federation citizen that replaces it. The donor must indicate in the payment documents his last name, first name, and patronymic (completely), and place of residence, which are compared by the bank institutions or communications enterprises with the data on the passport of the identity card that replaces it.

3.6. Voluntary donations by legal entities to the election funds of candidates for election as deputy, or of electoral associations (blocs), are made only by means of the noncash transfer of monetary sums to their special temporary election accounts.

At such time the payment order must indicate, in the line "Payer," the share (in percentages) of foreign capital in the statutory capital of the particular legal entity as of the date of transfer of the funds or a note to the effect that there is no foreign capital in the statutory capital of the particular legal entity. In the event of receipt at the election fund of a candidate for election as deputy or an electoral association (bloc) of donations from legal entities without an indication of the information concerning the existence of foreign capital, the candidate for election as deputy or the electoral association (bloc) is required to return those funds to the donor or to obtain official information concerning the existence of foreign capital in the statutory capital of the donor.

3.7. All the monetary means are entered on the accounts of election funds in rubles. The transferring of funds in foreign currency is prohibited. Income is not computed or paid on these accounts.

3.8. A candidate for election as deputy or an electoral association or bloc is required to become regularly acquainted with information concerning the sources and

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amounts of receipts of monetary means into the account of the election fund at the branch of Savings Bank.

3.9. In the event that the candidate for election as deputy withdraws his candidacy or is recalled by the electoral association (bloc) that registered the candidate without any circumstances compelling that action, the electoral commission can credit the account of the candidate or the electoral association (bloc) with the corresponding part of the expenses borne by him or it, including the funds that have been allocated by the electoral commission to the candidate or the electoral association (bloc) for campaigning.

In the event that the court rescinds the decision to register a candidate for election as deputy or the federal list of candidates for election as deputy, the electoral commission is required to recover from the indicated candidate or electoral association (bloc) the corresponding part of the expenses incurred by it.

IV. Accounting and Expenditure of the Means in the Election Fund

4.1. Candidates for election as deputy and electoral associations (blocs) maintain records of the receipts and expenditure of the funds in their election funds on Form No. 5 (appended).

4.2. The monetary funds of the election funds of candidates for election as deputy and of electoral associations (blocs) can be channeled into the production and dissemination of campaign materials[2], the payment of announcements and statements by the candidates for election as deputy in the mass media, the payment of expenditures linked with the holding of campaign meetings, meetings with the voters, rallies, marches, demonstrations, and other special-purpose measures involved in campaigning.

Candidates for election as deputies, electoral associations (blocs), and their authorized representatives do not have the right to give the voters any monetary means or presents, to carry out the preferential sale of goods, or to disseminate free of charge any goods with the exception of printed, including illustrated, materials, or of buttons that have been specially manufactured for the election campaign.

After registration, the candidate for election as deputy does not have the right to use the advantages of his official position in the interests of being elected.

4.3. Paid work and services being carried out by enterprises and organizations for candidates for election as deputy, or for electoral associations (blocs), must be formalized in written form (contract, account, document). Contracts must contain the particulars pertaining to the parties, information about the volume of work assigned, its cost and settlements by types of work, the payment procedure, deadlines for completing the work, the responsibility borne by the parties, and other terms.

The work and services completed must be confirmed by documents attesting to their acceptance or by invoices for the output that was released, which were signed by the customer (the candidate for election as deputy or persons authorized by the electoral association or bloc to dispose of monetary funds in the election fund), and by the executor.

Payment for the indicated work and services must be carried out by means of the noncash transfer of amounts of money from the accounts of the candidates for election as deputy, or the electoral associations (blocs).

4.4. With individuals who are invited by the candidate for election as deputy or by the electoral association (bloc) to carry out their election campaigning on a paid basis, it is necessary to conclude in written form a labor or civil-law contract. The contract indicates the last name, first name, and patronymic of the person being invited, his passport data, a list of the work completed, the deadlines for completing that work, and the total amount of payment.

4.5. Branches of the Savings Bank, in response to a written request from the appropriate electoral commission, are required within a three-day period to submit to the commission information concerning the expenditure of the monetary funds located in the special temporary accounts of the candidates for election as deputy or the electoral associations (blocs) on Form No. 6. (appended).

4.6. All the financial operations for expending the funds from the special temporary accounts of the candidates or electoral associations (blocs) cease on the election day. The RF Central Electoral Commission and the district electoral commission can, on the basis of the corresponding official request by the candidate or the electoral association (bloc), give written authorization to extend the period for conducting financial operations to pay for the expenses incurred prior to the election day, upon the presentation by the candidates for election as deputy or the electoral associations (blocs) of the corresponding documents that substantiate the necessity of such extension, but no more than 15 days after the date of holding the election.

V. Taxation

5.1. In accordance with Federal Law, dated 27 October 1994, No. 29-FZ, "The Making of Amendments and additions to Individual RF Laws on Taxes, and the

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Peculiarities of the Procedure for Deductions Payable to Separate State Nonbudgetary Funds":

— the income tax on the means in the election funds of the candidates for election as deputy that were received and expended to conduct the election campaign, as well as the means that were accounted for in the established procedure, is not computed or paid;

— the income received by individuals from the election funds of candidates for election as deputy or of electoral associations (blocs) for the execution by those individuals of work directly linked with the conducting of the election campaign is not subject to income tax;

— insurance payments to the RF Pension Fund, the RF Social Security Fund, the RF State Fund for the Population's Employment, and the funds for mandatory medical insurance are not computed for the means in the election funds of candidates for election as deputy that was received and expended for the conducting of the election campaign and that were accounted for in the established procedure, or on the income received by individuals from the election funds of candidates for election as deputy or electoral associations (blocs) for the execution by the indicated individuals of work directly linked with the election campaign.

VI. Reports and Overview

6.1. Candidates for election as deputy and electoral associations or blocs submit a financial report on Form No. 7 (appended) to the appropriate district electoral commission no later than 30 days after publication of the election results.

Information concerning the sources of receipt and the expenditure of the means in the election fund are appended to the report in Form No. 5, as well as the primary financial documents. At such time, prior to the handing over of the financial report, all the cash remaining in the possession of the candidates, as well as the means in the cash offices of the electoral associations (blocs) must be returned to their special temporary accounts. Copies of the financial reports are sent by the appropriate electoral commission to the mass media.

If a candidate for election as deputy or an electoral association (bloc) has not opened an account in order to form an election fund, within 30 days after the date of publication of the election results the candidate or the electoral association (bloc) is required to report in writing to the appropriate electoral commission that there were no expenditures by them to conduct the election campaign.

6.2. A candidate or electoral association (bloc) no later than 30 days after the election day returns to the appropriate electoral commission the unexpended monetary means in the election fund in an amount proportional to the amount of monetary means allocated to them by the appropriate electoral commission. Upon the expiration of that period, the unexpended budgetary means, in accordance with written instructions from the appropriate electoral commission, is transferred in a compulsory procedure by branches of RF Savings Bank to the account of the electoral commission.

6.3. Other balances of monetary means in the accounts of candidates for election as deputy and electoral associations (blocs), within one month after the handing over of the financial report (but no later than two months after the publication of the election results), are returned by the candidates and the electoral associations (blocs), proportionately to the invested means, to the organizations and individuals that made donations and transfers to the election funds, with the authorization of the appropriate electoral commission. The exchange of the indicated sums is carried out minus the expenses of the communications enterprises for sending them. The total amount of means remaining in the account of a candidate for election as deputy or an electoral association, upon the expiration of two months after the publication of the election results, is transferred by branches of Savings Bank to the federal budget.

6.4. In conformity with Article 55 of Federal Law, dated 21 June 1995, No. 909-FZ, "Elections of Deputies to the State Duma of the RF Federal Assembly," in order to carry out overview of the sources of receipt, the correct accounting of the monetary means in the election funds, and their expenditure by candidates for election as deputy and by electoral associations (blocs), an overview-auditing service is created under the RF Central Electoral Commission, with the involvement of specialists from state agencies of the Russian Federation.

VII. Responsibility For Violations of Financial Discipline

7.1. Responsibility for using the means in the election fund, for the prompt submittal of reports on the forms established by this instructional guide, and for the reliability of the report data is borne personally by the candidate for election as deputy and the individuals who have been authorized to dispose of the means in the election fund of the electoral association (bloc).

7.2. If a candidate for election as deputy or an electoral association (bloc), in addition to the means that have been received in their election funds, has used other monetary means to conduct the election campaign, the RF Central Electoral Commission and the district electoral commission have the right to initiate court

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action requesting the rescinding of the decision to register the candidate or the federal list of candidates. That request is considered by the court within a five-day period, or, five days prior to the election day, immediately.

For purposes of establishing the fact of a violation, the electoral commission, in conformity with Article 30 of Federal Law "Elections of Deputies to the State Duma of the RF Federal Assembly," has the right to request the cooperation of state agencies, agencies of local self-government, public associations, enterprises, and organizations, and their officials are required to give replies to the requests made by the electoral commission within a five-day period, or, five days prior to the election day, immediately.

7.3. Responsibility for violations of the election legislation is defined by Federal Law, dated 28 April 1995, No. 68-FZ, "Making of Amendments and Additions to the RSFSR Criminal Code and the RSFSR Code on Administrative Offenses," including those pertaining to financial questions. In particular, in accordance with the indicated Law:

— failure by a candidate, a person elected as deputy, or an electoral association (bloc) to submit information concerning the total amounts of receipts (donations) to the election funds or concerning the sources of creating election funds, or to submit a report concerning all the expenditures made to conduct an election incurs the imposition of a fine on the candidate, the person who has been elected as deputy, or the authorized representative of the electoral association (bloc) in an amount of from ten to 100 minimum wages;

— the illegal acceptance by a candidate for election as deputy or by an electoral association (bloc) of donations in any form from a foreign state, foreign citizen, or foreign organization, from an international organization or international public association, or from Russian legal entities with foreign participation incurs the imposition of a fine on the candidate or authorized representative of the electoral association (bloc) in an amount equal to three times the amount of the donation and confiscation of the donated items.

[Editorial note] Forms 1, 2, 3, 4, 5, 6 [and 7] are not being published.

Footnotes

1. The electoral fund's own monetary means are formed from the total amount of means transferred to the particular bloc by the electoral associations that created that block, upon their joint decision.

2. In conformity with order No. 127 of RF Ministry of the Press and Information, dated 28 June 1995, printed materials used for campaigning purposes must contain the following mandatory information: information concerning the originators of the publication, the total printing run, the number of the production order, and the name and complete postal address of the printing enterprise.

*Duma's First Term, Rybkin's Performance Assessed

954F3033A Moscow KURANTY in Russian 28 Jul 95 p 4

[Commentary by Andrey Nuykin: "The Interim Finish Line: The Duma From the Inside"]

[FBIS Translated Text] Whatever else we may say about deputies, their diligence cannot be denied. While during the last year's spring session the Duma considered 205 draft laws (44 passed all three readings), as of 19 July the current spring session already chalked up 270 draft laws (of which 171 were adopted in the three readings, 90 signed by the president, 11 vetoed by the same, 15 rejected by the Federation Council, and 99 by the Duma). During the last two sittings (20 and 21 July), the Duma was firing off laws like a high-speed air defense cannon. Suffice it to say that more than 150 draft laws were on the agenda of these two days! And almost all of them were adopted (practically without discussion). I would like to enter these figures in the Guinness Book of Records, since I am firmly convinced that no parliament in the world will ever come even close to this record.

"Why such a rush?" you will ask.

First, a lot of material has piled up, all ready for a vote. Those who had labored and mulled over this material loathed the idea of putting it all off until October, when on top of everything else the election campaign will begin to play havoc with all schedules and priorities.

Second, some, of course, held up their drafts until the eleventh hour on purpose, hoping in the commotion to quietly get questionable ideas and decisions through the lowered vigilance of the deputy corps. Let me cite as an example two typical experts' remarks at the meeting of the Russia's Choice faction regarding the recommended tactics of, if not blocking, then at least neutralizing some draft laws being brought out at the next Duma meeting.

"'The Law on Suppression of Corruption....' If we manage to change a few articles in it, it will at least no longer be too dangerous..."

"'The Law on Ecological Safety....' If we take a few things out of it, it will be quite harmless..."

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As you can imagine, when the voting speeds through as it did on 19, 20, and 21 July, nobody manages to introduce such neutralizing amendments. Before anyone opens his mouth for a comment, the law is already adopted! I think this term's deputies will be shrugging their shoulders for many years to come—What nincompoop came up such laws?—upon encountering some of the legislative pearls they adopted before recessing.

Third, let us be fair—the situation by itself does not permit the current legislators to chew over their texts for 10 years, as was the case, for instance, with the new version of the French criminal code. The country is going through a complete overhaul of the socioeconomic formation, political system, property relations, and the ideological paradigm. To do it on the basis of the Stalin-Brezhnev legal system is not just hopeless—it is simply dangerous. We are attempting to carry out a revolution by evolutionary methods, relying in everything on legal norms that most often simply do not exist. And so we are forced to swallow without chewing, which, alas, may give the society a case of indigestion.

Actually, not everything was all that hopelessly bad in the Duma's work. Looking back on the past seven months, it is hard to believe that despite everything, quite a lot of positive things have been done in the sphere of national legislation.

A new (principally new!) Criminal Code has been adopted, which takes into account widespread functioning of private property and market relations, a code aimed first and foremost at protecting a man, a citizen, and only afterwards—protection of the state.

The Criminal-Execution Code has been adopted in the first reading. In our country even capital punishment until now had been carried out in keeping with an MVD [Ministry of Internal Affairs] instruction instead of a law. And although the code still in effect is called the correctional labor code, correctional facilities have long ceased to correct anyone and have turned into a breeding ground of repeat offenders. Keeping in mind that we can add to these codes a number of vital federal laws (among them the law "On the Russian Federation Procuracy"), one can hope that conditions are gradually emerging for changing this very dismal situation.

The charged political situation in the country was very much eased by the law on elections (of State Duma deputies and the president), adopted through pains and battles; the law "On the Referendum" should be added into this group, to form a logical entity. A zone of instability in this extremely important sphere of political life is being created only by the absence of a law on elections of our senators—for which to some extent the blame goes to the Federation Council, and to some extent to the Duma, which decided to ignore the constitution so that it could tickle the nerves of members of the competing house, which has the gall to call itself the upper house. It looks like the president will have to cut this knot the old way—by an edict.

Among tens of adopted laws there are quite a few that in the shuffle did not merit any attention on the part of the press, and of the deputy corps as well. These are "technical" laws, regulating relations in concrete spheres; quite often they amount to short amendments to old acts, the value and urgency of which only specialists living in misery in these "concrete spheres" can appreciate. It is with the help of such laws that innumerable processes of life get subtly brought into the common legal space of the reforming Russia and quietly build a civil society.

Everybody was surprised that the Duma finally managed to adopt the budget more or less in the beginning, rather than the end, of the current year. Moreover, the law setting the procedures for considering the 1996 budget already has been adopted, so it is quite possible that as early as before Christmas next year's budget will be adopted. This is not just a "great comfort"—this is a "new era" in the life of the state...

Can you imagine how much good our Duma could potentially do for the society had it channeled all its working hours into the task for which it actually had been elected, without getting distracted by political statements—heated in form but hollow in contents; by rallies imitating the will to vote no-confidence in the government, impeach the president, rein in the disobedient new constitution, and so on, and so on.

How did the deputies manage after all to combine meaningless burble with rather productive lawmaking, the frenzy of rallying cries with strict wording of legal acts?

Well, first, it turned out that there were quite a few "quiet workhorses" among deputies and staff, who have managed to spend the short 24 months at their disposal on professional work. And second, the Duma was in luck when it came to its speaker.

It is embarrassing to even recall now how passionately we fought a year and a half ago against letting this "Commie" assume such an important post. It would have been a great mistake if we had succeeded. It is unlikely that anybody else would have managed so firmly, and at the same time with such apparent ease, day in and day out, to channel into the path of legislative activities the restless herds of factions and groups driven wild by political freedoms.

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Sometimes one begins to experience a truly esthetic pleasure watching the multitude of means I. Rybkin uses to achieve this effect. A small example. V. Semago, the deputy representing the communist casino in the Duma, in insisting that the speaker should refuse to participate in the Security Council, once broke out in a long and rambling speech that Ivan Ivanovich Rybkin "sits with one part in the organ of executive authority, and another part in the organ of legislative authority, and is it not time for him to decide, to make a choice, because..." and so on.

"But I use the same part for thinking in both places!" came an immediate rejoinder to the delight of the entire audience.

Why do I go into such details on these sort of "trifles?" I think that a politician without a sense of humor is not just boring and tedious—he is dangerous! When the tension in the situation reaches the limit, beyond which there remains only a tailspin, an explosion, and a break-up, a politician without a sense of humor does not know how to defuse the situation, bring down the stupefying heat of passions, look at the events from another, hysteria-deflating, side. Rybkin is all right in the humor department.

However, in my opinion the main trait that ensured the speaker's success is not humor but knowledge of the secrets of apparat life, administrative finesses and tricks, which enables him to resolve many problems in advance, in the back rooms, without shouting and shooting.

Rybkin had been reproached many times for practically being a member of three parties nearly at the same time: communist, social-democratic, and agrarian; for being the "Comrade Compromise," skillfully smoothing out sharp edges, placating, conciliating... The aforementioned qualities probably do become shameful if they are aimed at furthering a career, personal success, and enrichment... But if they are aimed at peace and stability in society, at creating breathing space in the political assembly being torn apart by confrontation, this is precisely what we need most these days.

Besides, I cannot suspect the speaker of lacking his own firm position, the ability to be, when necessary, uncompromising and unyielding. And I have an example to prove it.

As is known, the Duma majority (both communist and democratic) took a very antipresident position in the question of the Chechen crisis, loudly proclaiming the attempt to disarm Dudayev's bandit formation a "criminal, senseless action," a "war against our own people," and so on. I know from my own experience how difficult it is to swim against such a powerful current, to hold a position different from the one held by the extremist-pacifist public opinion. The speaker did not seem to attempt it at Duma forums—he seemed to swim along with everyone else—with the current. I was most pleasantly surprised to come across an interview, where he, without deferring to anyone, pointedly and firmly expressed his own, particular position: We are at war not with the Chechen people but with their bitterest enemy—Dudayev's junta; it was impossible to come to a peaceful agreement with Dudayev; a military action was inevitable and justified; the storming of Groznyy is not a slaughter of the peaceful population—it is a capture of a very difficult, fortified stronghold; and the world community with its preaching better keep its mouth shut, unless it wants to be reminded how the humanistic West resolves similar problems—in Northern Ireland, New Caledonia, Kurdistan, and even their own metropolitan areas...

I was prompted into taking a nonstandard, anti-intelligentsia position in the Chechen issue by the fact that I prefer going nuts alone, not with the crowd. What about Rybkin? It turns out, he simply follows the advice of his parents who have told him since childhood: "If tomorrow everybody starts jumping into deep water, this does not mean that you also have to."

It is hard to tell how Ivan Rybkin will manage the new, even more difficult task foisted on him by the president—to form a center-left bloc. A considerable part of the material offered to him has nothing to do with centrism. This applies first of all to the agrarians—the darkest and most reactionary political force of our society, in my opinion.

While Zhirinovskiy followers only plan to rob our people in a major way in the future (not too distant, though), the agrarians arrogantly and shamelessly do it constantly in front of our very eyes, taking advantage of the solid number of seats they have grabbed in the Duma, the support of the entire spectrum of Communists, and the timidity of the government.

Under the pressure of all these forces, a decision was recently pushed through the Duma to once again write off agricultural producers' debts. In the past this operation entailed simply moving the money from one of the state's pockets to another, also of the state. In a market environment, however, this means dipping into pockets of other property owners, robbing commercial banks, and creating a gigantic drain on the state treasury that has not been envisaged in the budget—that is, a new tax burden on all of Russia's taxpayers (to the accompaniment of the robbers' sighs and laments on the subject of people's impoverishment).

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It would at least make sense if this money did indeed go to agricultural producers—but no, it will get settled in the pockets of agricultural sector bureaucrats, in the safes of these serf-owner managers, who sit, like a dog on a haystack, on "collective" and "all-people's" land, do not want to work themselves and do not want to let others (first of all private farmers) work.

Is this the "center"? Are these social-democrats? It is both funny and sad. It is precisely in order not to allow the influx of such "centrists" into the parliament that we need to form powerful centrist electoral blocs, because democrats clearly are unable to tackle this task. And in the attempt to join the unjoinable, I am afraid that no flexibility, no conciliation experience will help the speaker.

But it looks like from the concerns of the spring session I have unwittingly drifted into the concerns of the fall-winter session. It means that it is time to wrap up, so as not to violate the integrity of the genre and the boundaries set in the title. As to election concerns, we will very soon have the opportunity to take a full plunge into it.

***Advisers Outline Rybkin Bloc Program**

954F3049A Samara SAMARSKIYE IZVESTIYA in Russian 27 Jun 95 p 8

[Lyubov Krasavina presentation of views of Ivan Rybkin advisers Romanov and Tsarev: "Rybkin Calls for Accord"]

[FBIS Translated Text] Of representatives of the left electorate primarily. But the way to the Accord center bloc is not barred to democrats either.

The advisers of the speaker of the State Duma, who organized a news conference for Samara journalists, also cleave to different ideological positions, for that matter.

Gennadiy Romanov, who joined the Duma Secretariat from the counterintelligence authorities, adheres, according to him, to left-wing views. Another adviser, Aleksey Tsarev, who is an old acquaintance of Rybkin's from their work in the corps of deputies, classes himself a democrat. And both maintain that Rybkin is good in that he is capable of uniting around himself the most diverse people, regardless of their political predilections.

We shall not, therefore, share their answers to questions in the course of the news conference. The heart of the matter lies elsewhere. In what Ivan Rybkin's center-left bloc represents or will represent.

[Krasavina] What can you say about your program?

[Advisers] It is somewhat early to talk about it as yet. When the elections are officially scheduled, when the corresponding law is adopted, then....

But, briefly, as distinct from Chernomyrdin's bloc, which puts the emphasis on the free spontaneity of the market with state regulation in the branches in which this is to the liking of certain corporations, we put the social sphere first. And, in addition, state regulation of the economy. Everything else derives from this.

[Krasavina] Nonetheless, with whom do you intend to cooperate?

[Advisers] With everyone, other than left and right extremists. Our way is the way of the rejection of violent actions in the political struggle, dialogues, and multilateral negotiations between different forces.

The people are tired of social upheavals, putsches, conspiracies, wars, and revolutions. And a way out of the crisis is possible only on the basis of the achievement of accord with the mutual concessions of the main political forces. We have no other way.

[Krasavina] The leader of the center-left bloc has already switched to his fifth party, essentially? What is this—a political game?

[Advisers] All is flux, all is change. Both parties and people included. Ivan Petrovich has changed to some extent also. But no more, even less, perhaps, than others. He adheres, as before, to social democratic positions.

[Krasavina] But it is said that the speaker formed his bloc in deference to the president. Like the prime minister....

[Advisers] This is wrong. We had long been nurturing the idea of consolidation of the forces of the left. And not simply nurturing. By announcing in May the creation of a center-left bloc, we were simply continuing the work that had been started earlier. The elections are just one step in it. We hope that the Accord social movement will be converted subsequently into a serious party of a social democratic persuasion.

[Krasavina] Does it not seem to you that the present political forces are somehow reminiscent of a forest: noisy at the top, silence at the bottom.

[Advisers] Yes. The people have lost their faith both in politics and in the authorities. And there is serious reason for this.

But we believe that we will succeed, for all that, in arousing Russians and that they will turn out to vote for new authorities.

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[Krasavina] What is the relationship with the Russia Is Our Home center-right bloc? Will not the left bloc merge with it in time?

[Advisers] This can be ruled out. You already know of our future plans—the creation of a strong social democratic party. But it is more than just this. It is, in addition, a question of the center left being in opposition. This is unequivocal. We emphasize once again that our opposition, as distinct from others, will accept no extremism.

[Krasavina] Nonetheless, it is held (and quite extensively) that both election blocs are nonviable and that their leaders will, as a result, be compromised.

[Advisers] People take a varying view of Ivan Petrovich. Some people consider him all too cautious an individual, too civil servantish. But he could not behave like, say, Zhirinovskiy—make irresponsible statements and empty promises. Rybkin is a commonsensical politician. And we hope that he will be supported by many other commonsensical people. Who think about Russia and take its concerns to heart.

[Krasavina] Each party, each social movement, endeavors to form its branches locally....

[Advisers] We also are performing this work in the regions. This is why we have come here, to Samara.

[Krasavina] For what sources of financing of the campaign are you hoping?

[Advisers] There are certain funds which must by law allocate monies for the campaign. There are strong unions, including the Union of Industrialists, prepared to render our bloc material assistance. There are, finally, finance companies, which are offending no one, giving money to all in succession. Just in case, as they say.

But what we are counting on mainly in the elections is that the social democratic ideas of the left bloc will be close and comprehensible to many Russians and that the bloc will receive both material and, most important, moral support.

***Chernomyrdin Bloc's Prospects in Elections**

954F3126A Moscow MOSKOVSKAYA PRAVDA in Russian 26 Jul 95 p 9

[Commentary by Andranik Migranyan, chief editor of MOYA GAZETA, under "Column for the Main Thing" rubric: "Rybkin Interrupted His Pause"]

[FBIS Translated Text] The left-center bloc that all the analysts and politicians had awaited for so long has finally been established. Ivan Rybkin with several of his companions in arms in the bloc presented it last Saturday. The process of the formal structuring of the bloc began on 17 July, when several organizations officially signed a declaration. Throughout the week all of the new social-political movements, parties, and organizations officially joined the bloc.

The leader of the bloc prudently stressed, however, that the list is open for all political forces that accept the goals and principles of the bloc and that wish to join it prior to the congress in September.

Although many questions having to do with the formation of the bloc with respect to personalities and organizations have not been fully cleared up and are hardly likely to be before the congress, it is already possible to draw a number of interim conclusions.

The speaker of the State Duma wisely observed a lengthy pause, not only because he wanted to distance himself from the fact that the bloc is seemingly being established on instructions from the president but also because the pause gave him the chance to follow the process of the formation of new social and political forces and to assess their potential possibilities. In carrying out continuous meetings and negotiations, he was able to maintain the freedom to choose partners and to determine the conditions for uniting with particular political forces. In presenting the bloc without definitively clarifying the question of interrelations with the agrarians, Rybkin made it clear that regardless of the position of the leadership of the Agrarian Party he is claiming the role of leader and has already made his choice.

As was suggested in articles in our newspaper, the refusal to take advantage of his opportunity in this stage would forever close to him the prospect of becoming a real politician with a claim to major and independent roles in Russian politics. At the same time, this gives him the possibility of putting pressure on the Agrarian Party, because in talks with the leadership of the party he will appear in the role of leader of an independent bloc. In the event of the unfavorable outcome of the talks, Rybkin has real possibilities of carrying off some of the agrarians, thereby striking a serious blow at the party. The leaders of the agrarians cannot fail to take into account such a possibility, as unpleasant as the idea of joining a bloc headed by Rybkin may be for them.

The beginning of the official formation of the left-center bloc at precisely this time is also noteworthy in that with many individual politicians as well as parties not yet having defined their positions, Rybkin wants to identify his choice and become the center of attraction before they make their final choice. It is a matter of those parties that are hardly likely to overcome the 5-percent barrier by themselves but whose

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ideological and political positions are close to left-centralism regardless of Ivan Rybkin. In particular, this relates to the Democratic Party of Russia of Glayev and Govorukhin, who, in the event of a final break with the Congress of Russian Communities of Skokov and Lebed, will hardly reach the Duma without additional outside help. One must not lose sight of the huge group of influential politicians from the Council of the Federation, who, in the event of a decision on the formation of the Council of the Federation from leaders of executive and legislative authority of the subjects of the federation, will nave to fight for their political existence in the walls of the Duma.

In the event that the bloc is reinforced by such parties and political figures, Rybkin and the bloc may realistically be viewed as an alternative to Chernomyrdin's bloc. In such a distribution of forces, the voter may believe in the Rybkin bloc. Otherwise the Congress of Russian Communities has rather serious chances of occupying the place of the Rybkin bloc in the left-center opposition to the Chernomyrdin bloc. As an interim result of the election maneuvers of the speaker of the Duma, one may note that the long-awaited starting signal has been given. The political fate of the bloc and of Rybkin himself depends on his personal political skill and effort and on the efforts of all those political forces that are interested in the July start of the left-center bloc not being a false start.

***Our Home Platform Reviewed**

954F3043A Moscow KOMMERSANT DAILY in Russian 25 Jul 95 p 3

[Article by Sergey Khikharev with Economy Policy Department comment: "Our Home Knows How To Reconstitute Russia. Theoretically As Yet"]

[FBIS Translated Text] A workshop of the Our Home Is Russia movement, at which the bloc's political platform was presented, was held on 22 July in Moscow.

The invited intellectual elite—of both the capital and the regions—did not deny that Our Home is the power party. Explaining that the nature of any party is determined not by "class" composition but by the interests it defends, Oleg Soskovets, first deputy prime minister and deputy chairman of the council of the movement, emphasized that the electorate is entitled to expect a precise answer as to how the representatives of the movement will use their power and of what kind it will be if the movement is victorious at the elections. He also proposed that this idea be made "transparent" for all sections of the platform. Having noted that the best way toward trust is the maximum specificity, Soskovets submitted a specific proposal also: for the preparation of a document containing bills that the deputies of Our Home would offer in the first 100 days of the new State Duma.

The representatives of the regions threw out the rhythm of the measure somewhat, it is true, evoking with their at times eulogistic narrations of the labor routine of the heartland analogies with the party and economic activist meetings of the recent past. They spoke about the experience of the creation of self-management committees in Tula Oblast (Sevryugin, head of the administration), about the defense of the constitution against the present members of parliament and the rights of the land user (Bashmachnikov, head of the Union of Landowners), about the need for protectionist measures in respect to the commodity producers, which should win them over to the movement (Kovalenko, leader of the bloc's Krasnodar Kray organization), and about the creation of a labor market in the regions (Vyatkin, dean of Chelyabinsk University)—that is, it was hinted that the regions would judge the movement by the activity of the government.

As far as the program is concerned, there were criticisms. In respect to volume and style. The substance of the political platform was addressed most specifically by its creator—Aleksandr Shokhin. Noting that a number of propositions had been borrowed from sympathizers, he thereby confirmed the presence of a common ideological field with his allies. The priorities in the activity of the movement are a strengthening of the state on the principles of federalism, protection of the rights of the individual, and the preservation of culture and national and spiritual traditions. Our Home's foreign policy course is geared to Russia's return "to the bosom of the great powers." Of the "non-common" parts of the platform—the "new course of economic policy" (this is the name of a whole section). The idea of "national accumulation," which may be realized via large-scale concentrated domestic capital, is to be the pivot of the reforms. Although petty capital should not be disregarded also: A priority of the program is the creation of a "mixed socially oriented economic system." The interaction of the government and business circles should expand, and the policy of the authorities, "promote positive movement in the economy."

In compressed form the new economic policy is set forth in seven slogans: national accumulation and steady growth, economic realism and market predictability, a strong economy of the regions means a strong Russia, export expansion and prudent protectionism, from a commonwealth of states to integration, a strong state means a clean economy, and emphasis on the strong means safeguards for the weak. Also defined in the platform is the attitude toward property (renunciation

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of the fiscal role of privatization in favor of investment tasks), structural policy (attention to the growing sectors and the formation of intersectoral blocs), foreign economic policy (prudent protectionism, struggle against export discrimination), monetary policy ("stabilization of expectations"—its first stage), and the banks, the budget, and taxes (a lowering of rates, a strengthening of the tax services, and introduction of the stimulatory function of taxation). The main social task in the period of transition "from depression to growth" is to prevent the poor becoming poorer.

In a word, if compared with the activity of the present cabinet, there truly are differences. The bloc also has a strategy of dealings with the government. As Shokhin observed on the eve of the conference, this is "critical solidarity": Following adoption of the platform, the movement will track the actions of the cabinet in the key areas and, if necessary, point out the deficiencies. So that it will be possible to get acquainted with the ideology of Our Home in practice—even before the elections.

Economic Policy Department Comment

The first thing that hits the eye upon familiarization with the economic part of the draft Our Home Is Russia [NDR] program is its compilatory nature. It would seem that the authors of the program proceeded from the aim of advancing in a broad front toward various groups of voters, endeavoring to win support both among the supporters of the right-wing Russia's Choice and among the supporters of political currents of the left. This aim has been embodied most strikingly, possibly, in a slogan completing, in accordance with the old party habit, the first paragraph of the section "New Course of Economic Policy." It sounds trite, but no more specific because of this: "Emphasis on the strong means safeguards for the weak." It is this campaign slogan, borrowed from the arsenal of Western social democracy, which obviously contains the quintessence of what the drafters of the program have called "reform of the ideology of reform." It should be acknowledged that in its present form the draft declares the party intellectuals' commitment to social democratic values. From the viewpoint of interbloc relationships the coming antagonism of the "center left" and "center right" will, in fact, result in the rivalry of the two currents of social democracy. The confidence of the authors of the program that they will be able in this antagonism to knock the ground from under the feet of the more critically disposed "center left," which is actively exploiting the antigovernment mood characteristic of the part of the electorate that sympathizes with socialist ideas, is surprising. As if to confirm their more left views, the ideologists of the NDR are advancing the well-nigh sensational proposition concerning the need "to adjust purely liberal reference points" for the policy of privatization and the formation of more efficient property relations. The NDR program is based in regard to this, perhaps, key question of economic policy at this time on two principles. First, it is essential to abandon the emphasis on the fiscal role of privatization in favor of its accomplishment of investment tasks. And, second, following the end of the first stage of privatization, "private capital is not yet prepared today to accept appreciably more." Both these principles are more than dubious. What is primarily dubious is the attempt to present a solution of the problem of investments in the privatized enterprises as a simple increase in the share of the proceeds from the sale of the government block of shares transferred to the enterprise itself. In the form in which this is presented in the draft program it is reminiscent more of the simple subornation of the directors. It is doubtful whether the authors really believe in the investment efficiency of such a step: The experience of both the countries of East Europe and Russia itself testifies that such a policy does not resolve the problem of the search for an efficient owner. Similarly, the proposition concerning the need for a more unhurried approach to privatization is reminiscent of a concession to the regional authorities, one of the most striking spokesmen for whose interests—Moscow Mayor Yuriy Luzhkov—has built his struggle against the State Property Committee on this. It is no accident that Sergey Belyayev, the present chairman of the State Property Committee, commented cuttingly on the section of the program entitled "Property Relations." In his opinion, "there are no property relations in the program." Truly, such a topic as protection of the rights of shareholders, affecting the interests of now millions of potential voters, is not in practice reflected in the program. The fact that even a hint of guarantees of the sanctity of the right of ownership is absent from this section of the program forces us to ask whether the NDR Program Committee intends to join the struggle for the votes of the part of the electorate whose predilections are far closer to the left side. Or was all that they had been taught for a large part of their lives reproduced at the subconscious level among some of the authors? In this case they should heed the words of Pavel Medvedev, chairman of the State Duma Banking Subcommittee: "At times the program reminded me of the program of another party. The CPSU."

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***Mikhail Lapshin on Agrarian Party Strategy**

954F3123A Moscow PRAVDA in Russian 16 Aug 95 p 1

[Article by ITAR-TASS: "Bloc Is Being Formed That Has Every Chance of Victory"]

[FBIS Translated Text] The intention of the Agrarian Party of Russia [APR] to run in the upcoming elections to the State Duma in a bloc with the Communists was confirmed by APR leader Mikhail Lapshin. He spoke at a zonal conference of the leaders of the APR's seven kray and oblast organizations in Siberia that concluded late Monday evening in Barnaul. The Agrarians' leader also stated that "there can be no question of any sort of alliance with the Russia Is Our Home movement, since that movement favors private ownership of the land, which is contrary to the interests of the Russian peasantry."

Mikhail Lapshin reported that as of today the Agrarian Party of Russia numbers more than 300,000 members. That makes it possible, he said, "to reach many rural residents with explanations of the APR's policies." According to the party's chairman, the APR's objective in the election campaign that has just begun is to get as many of its representatives as possible elected to the new Duma, "in order to be able to work for decisions that will benefit rural residents."

Regional and federal lists of APR candidates to the new State Duma were approved at the conference. The federal list includes Mikhail Lapshin, Russia's present Minister of Agriculture Aleksandr Nazarchuk, and the prominent kolkhoz chairman Vasiliy Starodubtsev. Delegates were also elected to the All-Russian Congress of Agrarians.

In commenting on the results of the Barnaul conference, Viktor Fominykh, chairman of the APR's Altay Kray organization, told an ITAR-TASS correspondent yesterday that "at present the Agrarian-Communist bloc's hopes for victory in election campaign are very high."

Svetlana Goryacheva and Vladimir Isakov, functionaries in the former RSFSR Supreme Soviet, the latter of whom now heads the Duma Committee on Legislation and Judicial Reform, and a number of their other allies who attempted five years ago to force the resignation of then Russian Supreme Soviet Chairman Boris Yeltsin, will be among the Communist Party's first candidates in the upcoming State Duma elections.

This was learned yesterday from the speech of the Russian Communists' leader Gennadiy Zyuganov, who ended a campaign trip through Stavropol. The full list of candidates for State Duma deputy from the Communist Party of the Russian Federation is expected to be confirmed at a party conference that, according to Gennadiy Zyuganov, will be held on 26 August and will be of a "closed nature."

***Muscovites Polled on Most Pressing Problems**

954F3102A Moscow KURANTY in Russian 8 Aug 95 pp 4-5

[Article by Sociological Research Center, under rubric "Our Being": "We: Group Portrait in a Moscow Parlor"]

[FBIS Translated Text] **Quite recently, in June, the Sociological Research Center of Moscow State University conducted a poll among Muscovites in order to ascertain the most vital problems in Russia, Moscow, and their own personal life.**

Almost one thousand adult residents of the capital (a number that is sufficient for the opinions of the majority, if not the total number of Muscovites) were asked 124 questions. From global ones to minor ones. From political to gastronomic. The questions were asked of men and women. Of students and of retirees.

The results of that study make it possible to create, figuratively speaking, a group portrait of Muscovites. And to make some kind of sufficiently accurate diagnosis of our present being and everyday life. Spiritual, social, professional, and cultural. Certainly that ought to be interesting and important for us — to learn about ourselves! To be convinced of how we are identical and how we are different — on the basis of the way we think.

Obviously, we are publishing today only fragments of that sociological study. In addition, the editorial office has decided to reduce to the minimum the comments pertaining to the tables that are being published, in the hope, first of all, that our reader will be fully capable himself of understanding the abundance of figures, and, secondly, that it will be interesting for the reader himself to make the conclusions from the numerical information provided.

Putting it more succinctly, we are today providing the readers of KURANTY the opportunity to create for themselves a kind of group portrait of Muscovite-95 and to evaluate the extent to which that portrait is a good one. And to decide whether we ought to feel sad or glad about how we are living today...

Yuriy Luzhkov is our idol. His actions as mayor are completely approved by 60 percent of Muscovites.

Despite the prevailing opinion, the overwhelming majority of residents of the capital are satisfied with their rayon, their section of the city, and even their apartment.

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The threat of unemployment is our sword of Damocles. Sixty-five percent of the able-bodied population are afraid of losing their job.

Believe it or not, every twentieth Muscovite does not know whether or not he is satisfied with his material position.

Eighty percent of the Muscovites during the past 12 months have not gone to a movie even once. More than half have never visited a museum, exhibition, or concert even once.

Things are not really too bad with regard to our health. One-third of the Muscovites are completely satisfied with their well-being; one-third are more or less satisfied; and only the remaining one-third feel that they need additional medical treatment.

Do We Like Our Leaders?

Does the President Express Your Interests?

		Sex		Age			
Monitoring-95	Total	Men	Women	18-24	25-39	40-54	Older than 55
1. Yes	13.1	17.3	10.2	11.0	13.4	13.4	13.7
2. No	64.1	62.1	65.5	65.3	62.1	67.5	62.5
3. Undecided	22.8	20.6	24.3	23.7	24.5	19.1	23.9

Do You Approve of the Actions of These Political Leaders, or Which Ones Do You Not Approve of?

		Sex		Age			
Monitoring	Total	Men	Women	18-24	25-39	40-54	Older than 55
Luzhkov							
1. Approve	59.2	58.8	59.5	55.9	52.3	61.8	65.5
2. Do not approve	19.7	23.6	16.9	15.3	24.2	19.9	16.4
3. Don't know him	1.1	0.8	1.4	0.0	1.3	0.8	1.7
4. Undecided	19.8	16.8	21.8	28.0	22.2	17.1	16.4
0. No answer	0.2	0.0	0.4	0.8	0.0	0.4	0.0
Chubays							
1. Approve	6.9	8.5	5.8	6.8	4.6	8.9	7.8
2. Do not approve	56.7	63.8	51.8	40.7	54.2	62.6	60.8
3. Don't know him	5.0	3.3	6.2	11.0	2.9	2.0	7.2
4. Undecided	31.1	24.4	35.7	40.7	38.2	25.6	24.2
0. No answer	0.3	0.0	0.5	0.8	0.0	0.8	0.0

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P.S. The cool attitude toward the actions of the president of Russia has currently become a widespread phenomenon — and, judging by the results of the poll, Muscovites are not unique. No comment required.

It is more interesting to clarify the attitude that the residents of the capital have to their mayor in general and as compared with Chubays's rating in the capital. After all, it is well known that these two leaders were recently in a state of a hot war, which currently has developed into a cold one.

Thus, Yuriy Luzhkov today is in favor with Muscovites. His actions are approved by almost 60 percent of the residents of the capital — the rating on no other politician or economic manager even approaches that figure. As many supporters Luzhkov has in Moscow, Chubays has as many opponents in Moscow. We shall make so bold as to suggest that Chubays's enemies in the capital, however, probably do not have a good knowledge of the essence of the differences of opinion between Chubays and Luzhkov —differences of opinion with regard to the methods of carrying out the privatization. Most likely, the majority of Muscovites, thoroughly imbued with liking for their mayor, have unconsciously transferred their antipathy to his opponent.

We Have Not Yet Got the Hang of Freedom

What Do You Think Is the Main Thing in Democracy?

Monitoring-95	Total	Sex		Age			
		Men	Women	18-24	25-39	40-54	Older than 55
1. Private property	5.1	7.5	3.3	9.3	6.2	2.8	4.1
2. Freedom of the individual	16.8	21.9	13.2	24.6	20.9	15.0	10. 6
3. Power of the people	10.1	10.6	9.9	5.1	7.2	10.2	15.4
4. Legality, law and order	51.2	44.5	56.0	45.8	51.0	58.5	47.8
5. Other	4.0	4.3	3.9	1.7	3.9	2.8	6.1
4. Undecided	12.5	11.3	13.4	13.6	10.5	10.6	15.7
0. No answer	0.2	0.0	0.4	0.0	0.3	0.0	0.3

P.S. Sad to say, in the overwhelming majority we Muscovites, as one can see, have an extremely hazy, or one may even say erroneous, idea about democracy: for democracy the most important thing is legality and order. Only 25 percent of the Muscovites mentioned the freedom of the individual or the power of the people as factors that define democracy.

And yet for more than half a century we have lived in a country where legality and law and order were seemingly observed. It is just that our state was totalitarian and despotic with respect to its citizens. Since the laws protected us not from the power, but vice versa. Democracy begins with freedom of the individual and the real power of the people. And legality is their derivative. Nowadays it is a sin not to know that. But half the Muscovites, it would seem, do not know it. And this lack of knowledge is fraught with the possibility of their believing that a "firm hand" is a democratic attribute, but definitely not a return to the bloody past.

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Oh, How We'd Like to Become Richer!

Are You Satisfied With Your Savings and Deposits?

Monitoring-95	Total	Sex		Age			
		Men	Women	18-24	25-39	40-54	Older than 55
1. Completely satisfied	7.5	10.3	5.5	10.2	8.8	6.9	5.1

P.S. Do not hasten to conclude that two-thirds of the Muscovites are poor, and 7.5 percent are rich. In this instance the crux of the matter is not money, but the attitudes to it. You might recall the well-known jibe of Soviet financiers: "We reckon your money, and we reckon that you've got enough." Everything depends upon the reference point, that is, upon our desires and needs.

In the table that was given, two figures are the most interesting ones, since they are unexpected. It turns out that 7.5 percent of the Muscovites — which is not really a small percentage according to the present times — are completely satisfied with their financial situation. And 5 percent of the Muscovites —which is quite a lot of them — cannot even decide whether or not they are satisfied with their material status. Consequently, in all probability they can be included among those who are satisfied. If they were hungry and cold, they would have no difficulty giving an answer.

And as for the fact that most of us are dreaming of becoming richer, that is how it is throughout the world.

We Are Happy With Our Friends and In the Family

Are You Content With Your Friends and the Time Spent With Them?

Monitoring-95	Total	Sex		Age			
		Men	Women	18-24	25-39	40-54	Older than 55
1. Completely satisfied	62.9	64.1	62.1	71.2	70.3	65.4	49.8
More or less	22.6	23.4	22.0	20.3	20.9	20.7	27.0
3. Completely dissatisfied	10.4	9.5	10.9	6.8	7.5	10.6	14.7
4. Undecided	4.1	3.0	4.9	1.7	1.3	3.3	8.5

Are You Satisfied With Your Family Life?

Monitoring-95	Total	Sex		Age			
		Men	Women	1-24	25-39	40-54	Older than 55
1. Completely satisfied	57.0	67.8	49.5	51.7	65.7	65.7	59.3
2. More or less	23.4	18.3	26.9	28.8	20.6	19.5	27.6
3. Completely dissatisfied	15.6	9.0	20.2	16.1	11.8	16.7	18.1

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		Sex		Age			
4. Undecided	3.8	4.5	3.3	3.4	2.0	4.5	5.5
5. No answer	0.1	0.3	0.0	0.0	0.0	0.0	0.3

P.S. No comment required. All that remains is to be happy for us Muscovites: most of us have true friends and a strong family. Consequently, we have someone to lean on at a difficult moment, or even during a difficult year. Incidentally, specialists dealing in "personal problems" have noted this regularity: during periods of crisis in society, real families, that is, those that are reinforced by love, become even stronger, and the only ones that fall apart are those which previously had been weak, or, one might say, formal, rather than real.

So the fact that the "institution of friendship" has not collapsed testifies to our purity and strength, come what may.

Man and His Work

Are You Worried About Unemployment?

		Sex		Age			
Monitoring-95	Total	Men	Women	18-24	25-39	40-54	Older than 55
1. Practically unworried	13.3	17.3	10.4	16.1	15.7	10.2	12.3
2. Extremely worried	65.3	60.8	68.5	55.9	59.5	74.0	67.9
3. To a certain extent	19.5	20.6	18.7	25.4	22.5	15.0	17.4
4. Undecided	2.0	1.3	2.5	2.5	2.3	0.8	2.4

Are You Satisfied With Your Job?

		Sex		Age			
Monitoring-95	Total	Men	Women	18-24	25-39	40-54	Older than 55
1. Completely satisfied	46.4	54.3	40.8	52.5	56.2	52.8	28.3
2. More or less	19.6	21.1	18.5	16.9	24.2	21.1	14.3
3. Completely dissatisfied	10.5	10.8	10.2	10.2	9.5	15.9	7.2
4. Undecided	22.8	13.6	29.2	17.8	9.8	9.8	49.1
0. No answer	0.8	0.3	1.2	2.5	0.3	0.4	1.0

P.S. It would seem that, in the sphere of labor, we are all brilliant theoreticians, but miserable practical workers.

Only every second person is completely satisfied with his job; every tenth is completely dissatisfied; and every fifth Muscovite has absolutely no idea of whether or not he likes his job. Consequently, every fifth person works mechanically: you do something, and you earn some money for doing it, and that's that!

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Inasmuch as 65.3 percent of the Muscovites feel that a sword of Damocles with regard to unemployment is hanging over their head, naturally, they worry about what they will do if... So, for almost all of them, their thoughts run in the same direction —the correct one. It would be nice to keep working in the same job and earn a bit more money. It would be nice to accumulate some money, and even to open one's own business... It turns out that we have already learned the theory of prosperity under market conditions. But, as used to be the situation, our theory is one thing, and reality is something completely different.

What We Are Deeply Troubled By

Ethnic Conflicts

		Sex		Age			
Monitoring-95	Total	Men	Women	18-24	25-39	40-54	Older than 55
1. Practically not worried	5.0	6.3	4.0	5.1	5.2	3.3	6.1
2. Extremely worried	72.2	68.8	74.5	53.4	64.4	82.5	78.8
3. To a certain extent	21.4	23.1	20.2	39.8	29.4	13.0	13.0
4. Undecided	1.4	1.8	1.2	1.7	1.0	1.2	2.0

Level of Crime

		Sex		Age			
Monitoring-95	Total	Men	Women	18-24	25-39	40-54	Older than 55
1. Practically not worried	2.5	3.8	1.6	6.8	1.6	2.4	1.7
2. Extremely worried	90.0	85.7	93.0	76.3	87.6	94.3	94.2
3. To a certain extent	7.2	10.3	5.1	16.9	10.1	2.8	4.1
4. Undecided	0.3	0.3	0.4	0.0	0.7	0.4	0.0

Observance of Laws, Human Rights

		Sex		Age			
Monitoring-95	Total	Men	Women	18-24	25-39	40-54	Older than 55
1. Practically not worried	4.8	3.8	5.5	7.6	4.6	5.3	3.4
2. Extremely worried	75.4	74.4	76.1	66.1	76.1	75.2	78.2
3. To a certain extent	14.8	17.6	12.9	22.0	14.7	14.6	12.3

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		Sex		Age			
4. Undecided	4.0	3.3	4.6	3.4	3.3	3.3	5.8
0. No answer	1.0	1.0	1.1	0.8	1.3	1.6	0.3

State of the Environment, Ecology

		Sex		Age			
Monitoring-95	Total	Men	Women	18-24	25-39	40-54	Older than 55
1. Practically not worried	2.9	3.3	2.6	5.9	3.3	2.0	2.0
2. Extremely worried	84.7	78.1	89.3	79.7	80.4	88.2	88.1
3. To a certain extent	11.5	17.1	7.6	13.6	15.4	8.9	8.9
4. Undecided	0.9	1.5	0.5	0.8	1.0	0.8	1.0

Inflation, Rise in Prices

		Sex		Age			
Monitoring-95	Total	Men	Women	18-24	25-39	40-54	Older than 55
1. Practically not worried	4.3	5.8	3.3	8.5	6.5	4.1	0.7
2. Extremely worried	84.1	79.4	87.3	69.5	79.1	87.0	92.5
3. To a certain extent	10.4	13.3	8.3	21.2	13.1	6.9	6.1
4. Undecided	0.9	1.0	0.9	0.0	1.3	1.6	0.3
0. No answer	0.3	0.5	0.2	0.8	0.0	0.4	0.3

Privatization of State Property

		Sex		Age			
Monitoring-95	Total	Men	Women	18-24	25-39	40-54	Older than 55
1. Practically not worried	21.8	23.4	20.8	37.3	25.8	15.4	17.1
2. Extremely worried	38.0	42.5	34.9	20.3	31.7	47.2	44.0
3. To a certain extent	25.3	22.6	27.1	28.0	29.4	22.4	22.2
4. Undecided	14.9	11.6	17.3	14.4	13.1	15.0	16.7

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P.S. The information in these tables makes it possible to prepare a list of the "prestige rating" of Russian problems in the eyes and minds of Muscovites. Thus, the most acute problem is the increase in crime; in second place is the ecology; and in third place, inflation. Then, in decreasing order, are the problem of poverty; observance of laws; ethnic conflicts; drug addiction; the state of the roads; birth rate. The problems that worry Muscovites least of all are the privatization of state property and foreign policy.

The fact that the first three problems include crime and inflation is natural and logical. But the fact that the first three problems also include the ecology is a pleasant bit of news. Pleasant because Muscovites, unlike the residents of many other regions of the country, have always felt that they were ecologically secure and that the "green movement" was something alien to them. But finally the ice has begun to move. And a revolution in people's minds is the prerequisite for revolutionary actions.

Human rights and ethnic conflicts in the middle of the list are testimony to the fact that, in the minds of Muscovites, civil self-awareness has begun to cool down. Quite recently these two problems were of paramount importance. The improvements here are minimal. So there is no longer any sharpened attention paid to them.

The fact that the privatization of state property and foreign policy are in the next to last and the last places attests to the fact that Muscovites are little concerned about the processes that do not pertain to them directly. Is this testimony to our "philistinism"? Pronounce the sentence yourselves.

[Editorial note] **The editorial office of KURANTY thanks the Sociological Research Center of Moscow State University and its head, Sergey Vladimirovich Tumanov, for the opportunity provided to us to publish certain results of the poll taken of Muscovites in June of this year.**

*VTSIOM Poll Rates Parties on Ability To Fight Social Problems

954F2976A Moscow KOMMERSANT DAILY in Russian 18 Jul 95 p 2

[Report by Vadim Sazonov, senior research associate of the All-Russian Center for the Study of Public Opinion: "Be Simpler—And the People Will Be Drawn to You"]

[FBIS Translated Text] As the parliamentary elections draw near (we already know the date—17 December), the ordinary voter will more and more frequently be pondering to whom he should show preference, attempting to correlate his likes with the position of these or those political parties presenting themselves at the political auction. Previously we got accustomed to reading in the newspapers that the Democrats in the United States, for example, would be better able to cope with social problems, in the opinion of the voters, while the Republicans would better handle "the growing Soviet threat." But in post-Soviet Russia, dispositions were determined on a simpler "scale"—these being "better," and those being "worse." Better overall and worse overall. However, the methodology used in a survey conducted recently by the All-Russian Center for the Study of Public Opinion was fundamentally different—an attempt was made to stratify not simply the voter, but his disposition as applied to political parties as well. A curious picture was obtained. Vadim Sazonov, senior research associate of the All-Russian Center for the Study of Public Opinion, acquaints the KOMMERSANT DAILY reader with this survey.

Various problems surround us on all sides—personal and general, serious and far-fetched, urgent and constantly deferrable. It is not always clear whose assistance should be enlisted to tackle them, or indeed—whether they can be resolved at all. But clearly it is first necessary to rank problems (or range them, as the sociologists say) by degree of urgency. Here is how the problems most alarming to Russian society were ranged by 2,550 individuals recently polled by the All-Russian Center for the Study of Public Opinion in an all-Russian selective sampling (in percentage of those surveyed; it was possible to give more than one answer). Judging from the survey results, problems fall into three groups. The uppermost group (first through fourth place) encompasses the main crisis phenomena in the country directly affecting the lives of each and every one of us: prices, crime, unemployment, and economic chaos. No single political problem, in the direct sense of this word, figures into the top four. People brush those aside in the belief that there exist more important concerns. The second group comprises, in the view of the populace, less significant manifestations of crisis and decay, along with certain of their causes (fifth through 11th place). It is curious that the item most disturbing to the populace in this group is property stratification, which certain prominent figures of the romantic years of 1991-1992 viewed as virtually the chief mechanism for transition to the market. In 1995 we do not yet have a real market, but we certainly see stratification—and how! Nor can we ignore the fact that concentrated in the second group are fundamental problems whose consequences the country will have to endure for more than a single generation—the ecological crisis, moral decay and cultural decline, the exacerbation of interethnic relations as they turn into armed conflicts. But these problems do not usually cause dam-

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age observable daily, and they therefore do not rise to the top group. The public consciousness does not take the trouble today to be alarmed at the threat to the country's very existence.

The third group (12th through 15th place) encompasses problems the population in general does not consider highly significant. They include the favorite themes of those who write on political topics—conflicts in the leadership, the threat of fascism and military dictatorship. But these things do not affect people very much. People spend more time thinking about who in particular could resolve quite specific, acknowledged problems (the first and second groups) better than the others.

Attitude Towards Parties and Movements (in Percentages of People Surveyed)

Ranking of party, movement, or bloc (ranked according to Column 2 response)	"Which party most reflects the interests of people like you?"	"Which party are you prepared to support in the coming elections?"
1/2. The Yavlinskiy Bloc	8.1	8.2
1/2. LDPR [Liberal Democratic Party of Russia] (Zhirinovskiy)	8.1	8.7
3. CPRF [Russian Federation Communist Party] (Zyuganov)	6.9	8.0
4. Women of Russia (Lakhova)	4.8	3.7
5. Russia's Democratic Choice (Gaydar)	4.6	3.7
6. Workers' Self-Government Party (S. Fedorov)	4.1	5.0
7. Agrarian Party of Russia (Lapshin)	2.8	1.9
8. Derzhava (Rutskoy)	2.5	4.1
9. Forward, Russia! (B. Fedorov)	2.1	2.4
10. Democratic Party of Russia (Glazyev/ Govorukhin)	2.0	2.0
11. PRES [Party of Russian Unity and Accord] (Shakhray)	1.8	1.7
12. Beerlovers Party (Kalachev)	1.1	0.7
13. Economic Freedom Party (Borovoy)	1.0	0.6
14. Others	0.4	1.3

Some 26.0 percent of those surveyed responded to the first question: "I do not know any, there is no such party"; 18.4 percent of those surveyed would not participate in the elections; the percentages of respondents who found it difficult to answer the first and second questions were 23.5 and 29.6 percent, respectively.

[Begin box]

"Which problems will this or that party deal with best of all?" (according to the poll conducted by the All-Russian Center for the Study of Public Opinion)
Grigoriy Yavlinskiy's bloc

1. The crisis in the economy.
2. Price increases.

LDPR

1. The fight against crime and corruption.
2. Removal of national riches from the country.
3. Protection of the rights and interests of Russians.
4. Increased influence of the West.
5. Conflicts on the border between Russia and the CIS.

Russian Communist Party

1. Impoverishment of the populace.
2. Unemployment.

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3. Protection of the poorest segments of the populace.

4. Fair distribution of income.

[End box]

The results of the poll overall are extremely interesting. They show first of all that the public consciousness has completely assimilated the idea of pluralism. Today people do not reject the very existence of parties they do not support. These parties no longer seem to be the devil incarnate, the embodiment of evil. On the contrary, the populace is imputing to them quite positive, structure-forming functions in society, relegating to them a significant sociopolitical role.

Secondly, the populace must simply be fed up with the present authority if it will entrust such a vitally important function to the politically eccentric, putting it mildly, Vladimir Zhirinovskiy! No less significant is the fact that the electorate sees the Russian Federation Communist Party as the chief patron of social protection and justice, seeming to forget that over its more than 70-year history of sovereign rule, it did not—again, putting it mildly—significantly enrich the populace.

A troika of leading parties—the organizations of Yavlinskiy, Zhirinovskiy, and Zyuganov—have jumped to positions fairly far above the rest. Whereas in measure of closeness to the populace, Yavlinskiy and Zhirinovskiy head the list, within the framework of electoral preferences Zhirinovskiy alone is out in front. But it is important to note that sympathies for a party on one issue or another in no way entail an automatic readiness to vote for it. Certain tactical considerations clearly come into play here. Thus, Zhirinovskiy, Zyuganov, S. Fedorov, Rutskoy, and B. Fedorov have perhaps a larger potential electorate than their base of social support. While for Lakhova, Gaydar, Lapshin, Kalachev, and Borovoy—the reverse is true. More people feel a closeness to them than would be willing to vote for them.

The figures measuring participation in the political process are quite small. Some 50 percent of those surveyed find themselves outside any party disposition whatsoever, while 48 percent express no desire to vote for anyone. Not more than 29-40 percent can clearly say which parties would resolve Russia's problems better than the others. Those prepared to vote for any one party comprise no more than 8.7 percent. All of this shows, first of all, that the alienation of the populace from politics has reached epidemic proportions. Under such conditions, God knows what active minority group might accede to power. Secondly, there is a catastrophic lack of charismatic leaders to whom those who lack faith in our present leaders might turn in seeking a mainstay.

Problems Worrying the Russian Populace

Ranking	Problem	Percentage of respondents seeking resolution
1	Price increases	76.5
2	Growth in incidence of crime	59.2
3	Rise of unemployment	49.6
4	Crisis of the economy, production decline in industry and agriculture	48.4
5	Acute stratification of rich and poor, unfair distribution of income	32.2
6	Armed conflicts on Russia's borders	26.9
7	Weakness, helplessness of the state authority	26.7
8	Moral, cultural, and ethical crisis	26.6
9	Deteriorating state of the environment	25.7
10	Corruption, bribery	24.5
11	Exacerbation of interethnic relations	21.4
12	Shortages of food products and essential items	10.9
13	Conflicts in the country's leadership	10.0

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Ranking	Problem	Percentage of respondents seeking resolution
14	Threat of fascism and extremism	6.0
15	Threat of military dictatorship	3.4
	Other problems, difficult to respond	6.0

[begin box]

Commentary

What is it about the study of the All-Russian Center for the Study of Public Opinion that immediately strikes the reader's attention (in addition to the curious aspects noted by Vadim Sazonov)? First of all, we see a rare trustfulness on the part of the Russian voter in everything being fed him by these party politicians. Zhirinovskiy says he will restore order—and the voter religiously believes him. And for some reason he puts this same sacred trust in Zyuganov. Although neither of these two individuals seems to be proposing any specific measures for maintaining law and order. In this regard, we must say, they are no better than our present authorities. The voter wants from Zyuganov just what the latter sweetly pontificates, i.e., social justice—and in precisely the Zyuganov interpretation. Everything is clear with respect to Yavlinskiy too—he is simply remembered from the "500 days" era. Since that time, Grigoriy Alekseyevich has been presenting himself pretty much as Russia's new Friedman or Keynes. The resident voter sees him as a young man who reviles the government. What he might be proposing instead—is unimportant. It is curious here that Our Home has not yet made any inroads into the twists and turns of the public consciousness.

But the most curious thing is the fact that the proportion of people who have at least some degree of sympathy for parties is ridiculously small—about one-third of those surveyed. While almost half have no desire to vote for anyone at all. They do not know who might best solve the problems of crime, unemployment, price increases, and so forth. Here the traditional Russian saying comes into play: "We need a good Tsar." There are different versions—from enlightened monarch to simply a strong (not necessarily enlightened) arm. But if a well-informed, somehow defined minority can, as the author justifiably writes, bring God-knows-whom to power, the same thing can happen if people blindly seek a strong arm. The tendency to believe literally everything party leaders are saying may also find itself manifest in a readiness to equally blindly trust and vote for the individual they know and are familiar with. Not the one who is too much of an "egghead." People seek something simpler, a firmer voice, a more dignified look. The main thing is that he speak understandably. And promise something? Yes—the same thing everyone else is promising.

[end box]

Chechnya Edict Constitutionality Suspect

954F3056A Moscow MOSCOW NEWS in English 14-20 Jul 95 No 27, pp 1, 3

[Article by Leonid Nikitinsky: "Chechen Crisis Moves to Moscow"; first paragraph is introductory paragraph]

[FBIS Transcribed Text] The Constitutional Court of the Russian Federation began examining the inquiries of State Duma and Federation Council deputies on the constitutionality of presidential and governmental acts which marked the beginning of hostilities in Chechnya.

However hard the judges may try to keep within the framework of the formal law, they are doomed to pass a decision which will play a pivotal role in the country's political life. This makes them get nervous and shun all intercourse with journalists.

The court came to its sitting practically in its entire complement with the exception of Nikolai Vedernikov who is on leave. Despite their differences in views the judges demonstrated a desire to adopt an Olympian neutrality. However, contradictions will surface as soon as there arises a need to pass a decision, be it a verdict on the substance of the case or an interim ruling — on a suspension of considering the case. Given the upcoming election campaign the latter decision may play into the hands of the anti-presidential political camp.

Thanks to the concerns of the Federation Council's speaker Vladimir Shumeiko who for so long bombarded the Constitutional Court with "secret" inquiries unsatisfactory in form, on the opening day of the sitting the judges were still compelled to decide which of the Council's applications had to be considered legitimate. The court agreed to consider all the existing inquiries, seeing the question of whether to consider them as a petition of the chamber as a whole or only one-fifth of the Federation Council deputies as being not of the most fundamental importance.

Only by the beginning of the sitting did the deputies of both chambers receive at last the texts of the "Military

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Doctrine" (appealed against by the Duma members) which prior to this had been known to legislators only "in summary," and the "secret" presidential decree of November 30, the text of which they had studied in the magazine *Novoye Vremya* (New Times). However, the opposite side's objections formulated in advance were never presented to the deputies, although this is envisaged by the Law on the Constitutional Court.

This whole mess, which in no way contributes to the normal flow of the trial, is evidently explained by the instability of the political background against which the hearing of the case is unfolding. Duma deputies maintain that the consideration of their application, which was submitted to the Constitutional Court as early as the beginning of April, was being deliberately dragged out by means of manipulating the upper chamber's application. The latter was absent at that moment, and therefore it was not obligatory to join it to the lower chamber's inquiry. If this reproach is justified, it is possibly explained by the judges' desire to wait until Chechnya is stabilized, which would enable them to pass the decision in a more tranquil atmosphere. It is not accidental that the date of the hearings was fixed after hopes appeared for a settlement of the Chechen conflict.

Only a day before the beginning of the trial did Boris Yeltsin officially notify the Constitutional Court about the composition of the team authorized to represent the interests of the president and the government. According to *MN*'s information, the delay in the appointment of representatives is explained by the internal dispute of a political rather than legal character: should the president and the government's interests be advocated by the same persons in the Constitutional Court? On the answer to this question largely depended the tactics of the president and the premier who are, in effect, the main behind-the-scenes persons. The decision on a common representation, adopted at the last moment, bears witness to the consent of Boris Yeltsin and Chernomyrdin, who have not always acted as a united front in the Chechen conflict, to share both success and responsibility at this court trial.

The interests of the president and the government will be represented by Vice-Premier Sergei Shakhrai; Yuri Baturin, Yeltsin's national security adviser; and Oleg Kutafin, rector of the All-Russia Academy of Law. Shakhrai's leadership in this legal team has not been shaken even by the fact that in the Northern Caucasus he is considered a "grey cardinal" whose activities in the sphere of nationalities policy predetermined the tragedy in Chechnya (Isa Kostoyev, Federation Council representative, even tried to object to Shakhrai's candidature).

The Federation Council is also represented by Yelena Mizulina, who came from Canada only on Tuesday, and the State Duma — by Gherman Karelin, Yuri Kalmykov and Anatoly Lukyanov.

If we sum up the content of the inquiries made by the deputies of the State Duma and the Federation Council, they question the constitutionality of three documents: the so-called secret decree of the president dated November 30, 1994 (inquiry by the Federation Council), the Decree of the president dated November 2, 1993, "On the Main Provisions of the Military Doctrine of the Russian Federation" (inquiry by the State Duma) and the resolution of the RF government dated December 9, 1994, which actually gave a green light to the dispatch of troops into Chechnya (inquiries by both chambers). Falling out of the above-mentioned package of documents is another one without which the picture is incomplete: that is the president's decree of December 9 (neither secret nor advertised) which immediately preceded the government's decision and contained a pertinent instruction to the Cabinet of Ministers. The Federation Council did not support the State Duma's request that the Constitutional Court examine citizens' complaints against their constitutional rights being violated by the actions of the armed forces in Chechnya because this takes the legal process through a political channel.

The accusatory elan of deputies' interpellations is predicated on the assumption that the armed operations in Chechnya were commenced by the president and the government in bypassing any legal procedure presupposing the imposition of an emergency in such cases. Under the existing Law of the RSFSR "On Emergency Situations" dated May 17, 1991, "the President of the RSFSR on an instruction from the RSFSR Supreme Soviet shall take steps to involve the Armed Forces, finding themselves under the jurisdiction of the bodies of the Union of Soviet Socialist Republics," in eliminating the consequences of natural calamities, accidents, etc. The deputies who signed the inquiry consider this law still valid — in the absence of any other —whereas the presidential side sees it as having actually lost validity. It is the resolution of this dispute that will become the main legal question the Constitutional Court will have to answer.

From the facts of recent Russian history it is clear that the May 17, 1991 Law on the Emergency Situation was created to serve the task directly contrary to the one now confronting the Federation: not for the purpose of opposing centrifugal tendencies within Russia, but to resist the centripetal proclivities of the then existing USSR. Shakhrai has pointed out that the disputed law enumerates no longer existing subjects. And, to

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substantiate the president's right to use the armed forces, he makes reference to the norms scattered in other Russian laws of 1991-92: "On Security," "On Defense," "On the Militia" and "On the Statue of Military Servicemen."

The presidential side's argumentation looks convincing, yet the Constitutional Court would create too dangerous a precedent by placing it at the bedrock of its decision. After all, in the present-day political situation the legislative branch has found itself even farther away from the adoption of a new law on emergency situations than it was prior to the beginning of the Chechen conflict. On the other hand, Shakhrai's position, if subjected to a certain logical simplification, boils down to the contention that in the absence of a law on emergency situations the president is free to impose it quite arbitrarily on any occasion and on any territory without asking for anyone's advice.

From the formal point of view the presidential side is ready to "pour ashes on its head" and recognize the November 30 decree as fallacious. The true motive for such a retreat is evidently not so much the "secret" character of this key document emergency in Chechnya although the question was not agreed upon with the Federation Council. Shakhrai admits that the decree of November 30 was signed by the president, but claims that shortly after it was also repealed by him and did not have any legal consequences. This is disputed by the Federation Council, according to whose information at the sitting of the Defense Ministry collegium on February 28, 1995, Defense Minister Pavel Grachev referred in substantiating his actions exactly to Decree No. 2137-s dated November 30.

Whereas the decisions of the president and the government merely created the statutory foundation for the actions of the armed forces in Chechnya (moreover, in the government's resolution the missions of the units of the MVD and the Defense Ministry are formulated as the "disarmament of unlawful armed formations" and nothing more than that), the bombardment of residential neighborhoods and the assassination of civilians must already be seen as the "excesses of executives." Given this way of posing the question, the space for a constitutional dispute is being narrowed to the maximum with the corresponding expansion of the space for the criminal prosecution of the culprits of the "excesses."

If the Constitutional Court takes the road suggested by Shakhrai, it will most likely pass a special decision on the need for more careful and prompt investigation actions on concrete facts linked to the federal troops' actions in Chechnya. If this scenario is further enlarged upon, the culprit may be found in Grachev whom the president will at last "surrender" as soon as political responsibility for Chechnya has been delimited between him and the defense minister with a decision of the Constitutional Court.

***Senior Procurator General Refutes Criticism**

95UM0580A Moscow IZVESTIYA in Russian 1 Aug 95 p 5

[Interview with A. Ilyushenko, by IZVESTIYA correspondent Igor Korolkov: "The Laws Are Powerless When The General Procurator Does Not Know What May or May Not Be Done"]

[FBIS Translated Text] **Aleksey Ilyushenko, acting RF General Procurator, became the object of constant criticism within the first days of his appointment to the high position. The nonacceptance of that figure by the mass media and by many politicians is explained by the fact that he was appointed, as it were, in gratitude for the service that he had rendered to the presidential team in the well-known "war of suitcases." The General Procurator society would like to see an independent person, and therefore it does not like the main preserver of legality, even one who is not attempting at least outwardly to distance himself from the president.**

The mass media does not miss any occasion to shoot poison arrows at the acting General Procurator. Especially since Aleksey Ilyushenko himself provides reasons for that, as happened, in particular, with the initiation of the criminal case again the "Dolls" television program. But criticism from the outside is one thing, and criticism from the procuracy's own ranks is a completely different one. Boris Pogorelov, former senior investigator for especially important cases, and Boris Uvarov, an active investigator for especially important cases, have given a number of interviews in which they accused Aleksey Ilyushenko of protecting illegality.

We asked the acting Procurator General to express his point of view.

Aleksey Ilyushenko stated:

That criticism is without substantiation.

[Korolkov] Excuse me, but we are dealing with specific criminal cases. For example, about the case of Vladislav Listyev. Uvarov, the head of the investigative team, despite his wishes, was put on leave precisely at a time when, as he feels, his presence during the investigation was extremely necessary.

[Ilyushenko] That is an outright lie. Uvarov was put on leave in accordance with the schedule. The schedule had

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been drawn up with a consideration of the desires of the investigators, including Uvarov himself. His departure had absolutely no effect on the investigation of the case. That investigation did not stop for a single minute. Today material has been collected that makes it possible to look optimistically at the possibility of revealing the journalist's murder.

[Korolkov] Pogorelov feels that the General Procuracy, essentially speaking, destroyed the case dealing with the ZGV [Western Group of Forces].

[Ilyushenko] No such case ever existed. The investigative administrations of the General Procuracy and the Main Military Procuracy investigated dozens of criminal cases with respect to officials in the Western Group of Forces, including highly placed commanders. Many cases were sent to various courts and were considered by them. A small number of the cases are still being investigated. I don't understand what case Pogorelov is talking about.

[Korolkov] The former investigator asserts that, in his memorandum requesting release from the procuracy, he thoroughly stated his claims against you.

[Ilyushenko] Here is that memorandum. "Please release me from the agencies of the procuracy as of 12 June 1995, for pension based on length of service." Then there is the postscript: "In connection with the misappropriation of the country's material resources and the exporting of those resources and capital abroad, it has become necessary, in my opinion, to create within the Investigative Administration a department to investigate crimes of an international nature. It is impossible to increase the importance of the Investigative Administration by reducing the role of the investigators. Beware of Greeks bearing gifts."

Do you understand anything from all of this? I didn't. When an "important individual" in an official document explains himself allegorically, I will sign that kind of memorandum without giving it a second thought.

[Korolkov] Uvarov is convinced that the General Procuracy has discontinued the criminal case with respect to current RF Minister of Finance Vladimir Panskov. He considers his removal from the case to be illegal.

[Ilyushenko] There is no *corpus delicti* in Panskov's actions. That is why it was discontinued. The case was studied by various procurators, and they all, independently of one another, came to the same opinion: the case was discontinued for good cause. I am ready to submit it to any group of experts.

[Korolkov] But can an IZVESTIYA correspondent become acquainted with it?

[Ilyushenko] Please do. **The next day, at the Investigative Administration of the General Procuracy, the 15 volumes of the "Panskov case" were placed before me. Ruslan Tamayev, the senior investigator for especially important cases, who had discontinued the case, led me through its labyrinth. I got the impression that there had been no prejudice in evaluating the case. Apparently the procurators are correct in asserting that Panskov's actions smell bad. They can be evaluated from a position of morality, but there is no way that one can speak of criminally prosecuting the person.**

"Prior to the initiation of the criminal case, the services of the MB [Ministry of Security] monitored Panskov's official and home telephones for seven months, and bugged the conversations in his office," investigator Tamayev says. "But they still did not get any proof that Panskov was taking bribes. According to the law I was supposed to make a decision about destroying 30 cassettes with recordings of conversations, but I kept them, foreseeing Uvarov's future claims. It is apropos to state that during the two months that he was in charge of the case, Boris Ivanovich did not carry out even a single investigative action. It is only for that reason that the case was taken away from him and transferred to me."

[Ilyushenko] The Panskov case is so petty and troublesome that it is unpleasant to read it. After that case, I began for the first time to have doubts about the professionalism of the state security services. After all, what served as the reason for the total surveillance on the person was not any concrete serious information, but, judging from certain data, the elementary settling of accounts. It is well known from unofficial sources that a former highly placed KGB associate had worked with Panskov. That individual and Panskov had had a falling out, and the former state security officer had decided to get revenge on his promising colleague.

[Korolkov] Uvarov and Pogorelov feel that the best investigators are leaving the General Procuracy. They can be understood in the sense that the professionals were forced to leave because of the conditions that had been created in the department after your arrival.

[Ilyushenko] Each of the investigators whom they gave as an example had their own reasons for resigning. For some, that occurred as a result of insufficient professionalism, and for others because of certain personal weaknesses.

[Korolkov] If it is not a secret, how many investigators for especially important cases were released from the procuracy during your term of office?

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[Ilyushenko] Of course it's no secret! From 1 January 1994 through 24 July 1995, 14 investigators were released. Of that number, nine went out on pension; two left at their own request; and three left because of transfer to other procuracies. This year considerably more people went out on pension than previously, inasmuch as a decree by the Russian government on pensions granted to procuracy workers went into effect. It is currently more profitable for people to resign, getting 85 percent of their previous salary, and still be able to get another job somewhere else.

It also evolves from the interviews given by Uvarov and Pogorelov that the General Procuracy began operating poorly after my arrival. But here are only a few figures. Whereas in 1993 the investigative administration investigated 32 criminal cases, in the first half of this year alone, as a result of organizational steps that were taken, 44 have already been investigated. I shall emphasize that all these cases deal with multiple episodes, and they pertain to the revealing of major gangster groupings and persons who had engaged in murders.

My critics also do not want to see how much normal work is being done by the procuracy. People are getting housing — which is something that had not happened for a very long time. A large amount of construction is under way. Dilapidated old buildings are being repaired, and imported criminal-investigation equipment with a total value of 11.6 billion rubles has been purchased.

[Korolkov] Aleksey Nikolayevich, what need was there for initiating the criminal case against the "Dolls" television program? Are we really supposed to believe that it represents such a serious threat to the country's leadership?

[Ilyushenko] It is not just a matter of this single broadcast. We might recall the article published in MOSKOVSKIY KOMSOMOLETS in which the author made crude, insulting remarks about Minister of Defense Grachev. Or let's take the newspaper MAT — the supplement to SOBESEDNIK. MAT has been published, as the expression goes, in "substandard language." To put it more simply, in obscene language. Criminal cases have been initiated against the authors of those articles, and have been sent to court.

A criminal case has also been initiated against the not exactly unknown Vedenkin, who made a statement on television threatening reprisals against the deputies.

And now we have "Dolls." I am convinced that this is not the last criminal case that we have had to initiate against the mass media.

If we want to live in a democratic society, then we must have clear lines drawn in that society that define the framework of what may and may not be done. Is it possible in newspapers to lie or to use obscene language? Can the country's highest officials be presented to us in the form in which they were shown to us on NTV on 8 July? Who can answer these questions? Only the court. As the acting General Procurator, I want the court to introduce clarity.

[Korolkov] Or can it be that the General Procuracy just doesn't have a sufficient sense of humor? After all, the same kinds of broadcasts exist abroad, and no criminal cases have been initiated against them.

[Ilyushenko] We are living in Russia, a country with a complicated political and economic situation. It can easily be destabilized by such means as the broadcast "Dolls." Because that broadcast bears within itself not a creative charge, but a destructive one.

In our conversation with A. Ilyushenko, we touched upon what is practically the most painful question for the acting General Procurator — the so-called "Rutskoy case." I shall summarize its key points briefly. In 1993 Vice-President Rutskoy stated that he was in possession of compromising material pertaining to the president's team. The amount of compromising material was no more and no less than 11 suitcases.

In response the president's team unearthed compromising material pertaining to Rutskoy. The team responsible for searching for facts to unmask the mutinous vice-president included Ilyushenko, the head of the Overview Administration under the president's administration; General Kotenkov, chief of the Legal Administration of the president's apparatus; RF Minister of Justice Kalmykov; and lawyer Makarov. Officially the team was called the Interdepartmental Commission to Combat Crime and Corruption.

This entire quadrumvirate, at a press conference remembered by many, before dozens of journalists and millions of television viewers, showed a document bearing Rutskoy's signature. This was a trust contract according to which the vice-president had empowered a "third person" to dispose of the property and the account of the Trade Link Ltd company. Some of the money had been deposited to that account from a transaction involving meals for children. The trust contract ostensibly testified that the vice-president had stolen several million dollars from the state.

The interdepartmental commission headed by the country's minister of justice transmitted the collected materials to the Moscow City Procuracy. It

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was ascertained very quickly there that the trust contract, to put it mildly, did not correspond to reality. The criminal case with respect to Rutskoy was discontinued, but one was initiated with respect to slander against him.

Upon arriving at the General Procuracy, Ilyushenko immediately requested the materials pertaining to the case. As a result the criminal case with regard to slander was discontinued, and the one pertaining to the "Rutskoy case" was renewed. Almost a year and a half has passed since then. The case is "hanging," although, it would seem, everything pertaining to it has already been clear for a very long time.

[Ilyushenko] You are mistaken. By no means everything about it is clear. It is not necessary to be a very high professional to initiate a case involving slander, without having interrogated the Canadian notary who had certified the copy of the trust contract. General Procuracy investigator for especially important cases Lysenko made a trip to Canada and interrogated the notary, who confirmed that the signature on the certified copy was his. Expert evaluation was also carried out in Canada, and it confirmed that the copy was not a forgery. It was received in Moscow in the same form that it had been made in Canada.

[Korolkov] But that does not prove that the contract itself is not a fake.

[Ilyushenko] In order to be convinced of that, it is necessary to do a bit of work in Switzerland. But for some reason the authorities there are dragging their feet and are not providing an authorization for the arrival of our investigator. And without a study of certain banking documents, it is impossible to make a final decision about the criminal case.

It would seem that there is a rather large amount of craftiness in the answers given by the acting General Procurator. I met with the former investigator from the Moscow City Procuracy who had investigated the "Rutskoy case," who currently is a senior scientific associate at the Law School at MGU [Moscow State University], Mikhail Slinko.

"I doubt very much about the truthfulness of Mr. Ilyushenko's assertion that the Canadian expert evaluation confirmed that the copy of the trust contrast was not a forgery," the former investigator said. "From the findings of a board of experts in technical-legal matters who convened in Moscow, it follows that that signature was executed by means of scanning, rather than from the first copy. That is, it was made from an intermediate copy. And that makes it possible to doubt the genuineness of the document itself.

"It was completely unnecessary to interrogate the Canadian notary. He is not the person who can throw light on the truth. The answers to all the questions lie in a Zurich bank. Why, one might ask, verify the genuineness of a copy if it is possible to look at the primary documents?

"With great difficulty we succeeded in persuading the Swiss procuracy to help us become acquainted with the banking documents of the Trade Link Ltd company. The Swiss felt that this entire situation is a political row, but in the final analysis they yielded. So I flew to Switzerland. Herr Bierstein, the owner of the Trade Link Ltd company, voluntarily offered the bank accounts to the procuracy and the police of Zurich. It turned out that seven individuals have the right to carry out operations dealing with the company's account. Rutskoy's name was not among them!

"With the observance of all the legal standards and in the presence of Herr Bierstein, the bank leadership, jurists, and local investigative agencies, copies were made of the primary documents, and their genuineness was certified by a notary.

"Everything became abundantly clear. I discontinued the criminal case with respect to Rutskoy and, obviously, initiated a criminal case involving the slander against him."

[Korolkov] But why was it necessary for the General Procuracy to become acquainted with something that was already known for a long time?

"I think that it was only to drag out the case," Slinko said. "The Swiss do not understand this kind of row, and they will no longer allow anyone access to the banking documents a second time. People in the General Procuracy are well aware of this. I am not convinced that Mr. Ilyushenko would be delighted if his investigator were given access to the bank accounts. In that case the investigation of the criminal case involving slander is inevitable. And then it will be very easy to pinpoint those who were involved in making the copy of the contract that was made of the nonexistent original. The circle of persons involved in creating the copy that caused a sensation is known — it is Messrs. Ilyushenko, Kalmykov, Makarov, Kotenkov, and the person who currently is sitting in 'Crosses,' under suspicion of having stolen ancient manuscripts, the not exactly unknown Yakubovskiy."

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***Criminal Operations, Guard Services Viewed**

954F2912A Moscow KOMSOMOLSKAYA PRAVDA (DELOVOY VTORNIK Supplement) in Russian 6 Jun 95 p 2

[Article by Yuriy Yentsov: "Protectors of Their Own Pockets: Prologue With Pursuit Called Off"]

[FBIS Translated Text] Recently, the Moscow militia prepared for the capture of the leaders of two criminal groups during a "rendezvous" in a suburban forest, but they did not succeed in taking the killers. They disappeared, as if they had dissolved into the rare shrubs...considering that a group of men, one of whom showed a militia "special pass"—like James Bond's identification card—left through an area that was monitored by guards carrying automatic weapons.

"They're with me," he threw out to the young machine-gunners, who weren't sure whether they should stop the group and clarify its relationship to the shootings in the forest or not. The relationship proved to be a direct one.

A Stake Is Simpler Than Life

All of this has become confused in our criminally obsessed country.

Now many have heard their fill of "black brokers." The ease with which the murderers of old men and women living alone have established contacts with apartment managers, the militia, and notaries evokes a well grounded perplexity.

Here, a handsome young man comes up to the quiet manager of the passport desk and introduces himself as a former militiaman who recently left the organs. He shows a second solid "ID", according to which he is a private detective from the firm Aid and Co. Having told the shy passport worker, who has been transferred to a quiet place from operations work, about earnings in the detection industry and promising to try to get him a lucrative job, the swindler squeezes out the information he needs about old people living on their own, interested only in their apartments.

It is not all that difficult to play with the minds of jack [housing commission] workers; no large bribes are necessary. One can get by with a bottle of sweet wine, a box of candy, a nice word spoken at the right time and in the right place. None of this will seem excessive; the profit will repay any effort made 100 times over.

Examination of the case involving Zashchita-Help, a Petersburg firm, is not yet complete. It all began with a humane, charitable cause: aged clients entrusted their housing to the firm after their deaths, but in some people's opinion, they had overstayed their welcome in this life. They were aided in moving on to the next one, chopped down artlessly by submachine guns.

After its licensing, which was amiably ignored by most of the firms, and the careful exposure and entry into a computer of all potential victims, misunderstandings have continued to occur regarding housing. For example, a resident of the Moscow rayon of Bibirevo who shares his last name with the secretary of the Security Council complained that his apartment was being reregistered without his permission. He was in time. They displayed a sincere and genuine interest in that name. It is possible that the investigation into this case, as well, will bring the detectives (the real ones) to the impostors.

Sharks of the 'Blade'

Specialists from the Moscow procuracy believe that fairly often clues from exposed wet affairs [murders], apartment machinations, and extortion lead to so-called private security and detective firms. There are hundreds of them in every rayon of the capital, but it is useless to look for them in the telephone book especially since the guards may be from the "security" service of some firm.

Besides apartments, the "wanderers" work with automobiles as much as they can. It isn't as profitable, but it is simpler. After ramming their Jeep's trunk into the side of some little Zhiguli, the boys in uniform begin demanding compensation. Trying not to upset these cool guys, the poor slob agrees to pay and lands right in the trap. The "trap," as you will recall, is the old trick of twisting someone around your little finger.

None of these incidents would deserve mention if people, militia personnel, didn't call all the bandits "guards." Real, registered private guards are greatly offended by that little word.

In order to learn the opinion of the use of security firms as "covers" for bandits, we turned to Andrey Kosyakov, a private detective from "Aleks," aide to a State Duma deputy, and secretary of the All-Russian Human Safety Party. He believes that the most important thing in dealing with a private guard or plain-clothes policeman is to find out how legal his activities are and whether or not he is an impostor. In order to do this, just as one would on becoming acquainted with any other official, one should study his documents carefully, copy down his numbers, and then confirm later by telephone whether or not such a person exists.

Over the last year, 900 security firms in Moscow were closed for violations. In all of Russia, it totaled 2000. The militia itself favors strict limits on the rights of private security firms; the draft law proposed by militia

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personnel has made more than one Russian Pinkerton man break out in a cold sweat.

Epilogue Without an Outcome

Let us imagine a case where an ordinary militia patrol group, carrying out its planned check on the streets of the city of Dolgoprudniy, conducts an examination of foreign goods and discovers pistols in the hands of five clean-cut guys sitting in a car. The have the appropriate documentation for the weapons, issued by employees of a private detective agency. The elderly sergeants are in no hurry; they have just a year and a half until retirement. They're beginning to check out the barrels, and the cartridge of one doesn't have enough bullets. At this point, they could either simply let it go and not get involved or detain them—which is exactly what happened.

It soon became clear that the excessively presumptuous "private detectives"—in reality, simply bandits who thought they could do anything—had just shot down their own unsuccessful debtor with a registered weapon at the edge of the forest.

When young colleagues asked veterans how they contrived to detain the five armed bucks, they answered simply that it was they who had the automatic weapons. The small numerical majority did not scare militiamen brought up in a different epoch. Maybe today's first-year sergeants will also learn to work that way after 20 years.

***New Provisions on Residency Permits, Registration**

95UM0579A Moscow KRASNAYA ZVEZDA in Russian 9 Aug 95 p 1

[Interview with V. Krivtsov, by KRASNAYA ZVEZDA correspondent Vladimir Matyash, under rubric "Innovations": "We Are Replacing the Residency Permit by Registration"]

[FBIS Translated Text] **The 17 July 1995 decree of the RF Government has approved the Rules for Registration and Removal of Citizens From Registration Records at the Place of Sojourn and at the Place of Residency Within the Confines of the Russian Federation and the list of officials responsible for registration. At first glance they differ very slightly from the registration rules that used to exist prior to this time. But only at first glance. Specialists assert that there are a rather large number of innovations and they enable citizens of the Russian Federation to implement more completely the right to freedom of movement and the choice of the place of sojourn and of residency, and also to increase the responsibility for executing the duties to other citizens, the state, and society.**

Our correspondent requested a person who took part in developing the new rules — Colonel of Internal Service Vladimir Krivtsov, chief of the Passport Department of the RF MVD Passport and Visa Service — to answer a number of questions that are of interest to our readers.

[Matyash] Vladimir Yakovlevich, does the change of the residency certificate mean that from now on any citizen of Russian can live wherever he wants to?

[Krivtsov] As compared with the rules that used to be in effect, the new ones actually create the conditions for the complete implementation by RF citizens of the right to move and to choose their place of sojourn and place of residency. Whereas the normative acts of the government of the former USSR established and enumerated the conditions under which a residency permit was possible, when we were developing the new Rules we proceeded from the principle that everything is authorized except for that which is banned by the existing legislation. But in recent years that has undergone considerable changes. Currently the citizen's right to make a free choice of his place of residency or sojourn is not dependent upon the existence of a registration. All this in full measure pertains also to military personnel, whose career previously frequently depended upon the existence of a residency permit. Registration differs from a residency permit in its essence — it is not of an authorizing nature, but informative one. But, before speaking about the registration procedure, it is necessary to establish clarity about the terms. The place of temporary sojourn of citizens (hotel, sanitorium, vacation home, *pension*, camping ground, hospital, tourist center, other institution, or housing that is not the citizen's place of permanent residency) is the place of sojourn. The citizen's place of residency is the place where he permanently or chiefly resides as the owner, on the basis of a lease, a rental agreement, or on other terms that are stipulated by RF legislation. This may be an apartment building, an apartment, official housing, specialized buildings (dormitories, shelters, a building in the maneuvering fund, a specialized home for single persons and the elderly, a boarding home for the disabled or veterans, etc.), as well as any other housing.

[Matyash] Will new registration agencies be created?

[Krivtsov] There is no need for that. The responsibility for registration of citizens is entrusted to officials in the housing-operations organizations of the state fund and the municipal funds, of housing-construction and housing cooperatives, hotels, tourist centers, sanitoriums, and other institutions intended for social purposes, as well

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as joint-stock companies and other commercial organizations, state and municipal organizations and institutions having a housing fund with rights of their economic management, or rights of operational administration. Monitoring of the observance of the Rules by citizens and officials is entrusted to internal affairs agencies.

[Matyash] What do the new Rules prescribe for us law-abiding citizens?

[Krivtsov] Persons arriving for a temporary sojourn for a period of more than ten days are required within a period of three days (excluding days off and holidays) to appear before the officials who are responsible for registration and to present a document that certifies their identity, a statement of registration at the place of sojourn, and a document providing justification for the citizen's temporary sojourn at the indicated housing (lease or sublease contract, rental or subrental agreement, or a statement from the person offering the housing to the citizen).

Registration at the place of sojourn is carried out, as a rule, for a period of up to three months. Within a three-day period the agencies maintaining the registration records issue the citizens a certificate of registration at the place of sojourn.

The registration of citizens at their place of residency has certain peculiarities. In addition to the previously mentioned documents that are to be presented for the purpose of formalizing the certificate of registration at the place of sojourn, these citizens are also required to submit a military record card and identity card of a citizen who is subject to being inducted into military service (for person who are required to be kept on military rolls). Also, the registration of citizens who are required to be kept on military rolls is carried out by the agencies maintaining the registration records after those individuals have been placed on the military-records rolls. As previously, it is necessary to present a document that is the foundation for moving into the housing (housing authorization, contract, certificate of the right to inherit housing, court decision concerning the recognition of the right to use the housing, a statement by the person who offered the housing to the citizen, or other document or properly certified copy of it).

[Matyash] What will it cost citizens to be registered in the current market times?

[Krivtsov] Registration at place of residency is subject to a state duty in the procedure and amounts stipulated by RF Law "State Duty" in the amount of one percent of the minimum wage.

[Matyash] Can one assume that from now on, in the Russian Federation, all the limitations on the residency permit — or, rather, on registration — will be removed?

[Krivtsov] The RF citizen's right to freedom of movement and to choose a place of sojourn or residency within the confines of the Russian Federation in conformity with RF laws can be limited in the border zone, in restricted military posts, in restricted administrative-territorial formations, in ecological disaster zones, and in individual territories and inhabited places where, in the event that there is a danger of the spread of infectious or mass diseases or poisonings of individuals, special conditions and procedures have been introduced, and in territories where a state of emergency or martial law has been established. At such time the agencies responsible for registration records are required within three days from the day of receiving the documents to inform the citizen concerning the reason for rejection.

[Matyash] Are there any peculiarities during the registration of military personnel?

[Krivtsov] Registration of military personnel at their place of residency is carried out on general principles (with the exception of enlisted soldiers and sailors, noncommissioned officers, and staff sergeants and petty officers who are performing military duty after being inducted). At the place of residency, the registration is carried out when the individual has orders indicating that he is on leave or on a temporary-duty assignment.

Military personnel who have entered military service on a contract basis, as well as officers who are performing military duty after being inducted, and members of their families, prior to the receipt of housing are registered by agencies responsible for registration records at the place of deployment of the military units in the established procedure. The removal from the registration records of citizens who are required to be kept on the military-records rolls is carried out in conformity with the established procedure for removing them from military records.

[Matyash] Vladimir Yakovlevich, the capital is saturated with refugees and displaced persons. How will they be registered?

[Krivtsov] Registration of refugees and of persons who were forcibly displaced at their place of residency is carried out on the basis of documents certifying their identity, as well as identity documents concerning the recognition of them as refugees or as forcibly displaced persons that are issued by the Russian Federal Migration Service or its territorial agencies.

[Matyash] How soon will the new procedure begin operating?

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[Krivtsov] Currently the registration procedure is undergoing its final check by specialists of various ministries and departments, including the miliary ones. Within the next three months the work will be completed. Therefore the internal passports of Russian citizens will soon contain registration notations and registration certificates will be issued. All this will make it possible to improve the organizing of work to keep records on the citizens.

Media Issues

Motive Seen in Duma Interest in Mass Media

954F3059A Moscow MOSCOW NEWS in English 14-20 Jul 95 No 27, p 6

[Article by Sergei Chugayev: "Political Machinations Around the Regional Press"; first paragraph is introductory paragraph]

[FBIS Transcribed Text] The "concern" of legislators for the regional press has made it fully dependent on local authorities and the Duma.

The Duma Committee for Information Policy and Communication did not give up the thought of improving the system of state support for the domestic mass media. Last time, as many people remember, such an attempt (at that time the committee leaders tried to control the distribution of state subsidies to newspapers and magazines) ended with the absolute majority of central periodicals being deprived of any state support. But now the regional press drew the attention of the committee headed by deputy Poltoranin who withdrew the other day from the Russia's Choice faction. Now it is the turn of the regional press.

In the next few days the State Duma must examine in the first reading the draft law "On Economic Support of the District (City) Newspapers," prepared under the guidance of Poltoranin.

It would be more correct to call this document a draft law on the revival of the system of state subsidies to the mass media, since it says nothing about any economic measures of support for the press (as, for instance, the granting to newspapers and magazines of tax advantages or the encouragement of investments for the development of their material base). The draft law deals only with the allocation of funds from the federal budget to local publications to cover a part of the expenses of printing services and paper. In other words, the committee is trying to renew the idea of state subsidies to the press, buried by the Duma. However, to most editors and journalists of the Russian district papers, who already have one foot in the grave, it does not matter in what form aid comes from the state. Therefore, if legislators have decided to revive the experience of the past year, two questions inevitably arise: who will distribute subsidies and who will receive them (and for what purpose)?

Naturally, the draft law does not envisage the distribution of budget money to all city and district newspapers in need of funds. We simply don't have enough money for all. Subsidies will be distributed to those publications, as the authors of the draft suggest, that will be included in a federal register of district (city) newspapers.

The idea of creating such a register is the essence of the legislative initiative. The authors of the draft suggest that the right to decide which papers will be included in the register and which of them will be left without support be granted to "conciliatory commissions of subjects of the Russian Federation," which will be formed of representatives from local branches of the executive and legislative powers, as well as from the Union of Journalists of Russia.

It is easy to imagine what passions will flare up in the regions, what intrigues will be carried out, what struggles will be waged for the right to get on that register which will guarantee a comfortable and untroubled existence. It is also obvious which publications will be so favored. It is most likely that the first candidates for membership in this select group will be the "pocket" publications obedient to the authorities. But truly independent papers, quite a number of which have appeared of late in the Russian provinces, will be left to their own resources. As a result, the worst papers will be able to continue their existence, and the best will find themselves in a still more complicated situation.

According to government experts who studied the draft law, its realization will inevitably lead to another rise in the price of paper and printing services, which will deal a blow to the entire Russian sphere of newspaper-magazine production and book publishing. However, it appears that the authors of the draft law are not really concerned about the economic consequences. The likely political results are much more important.

In a cover note to the draft law Poltoranin emphasizes that the document submitted to the Duma is included in the packet of legislative acts designed to regulate relations in the sphere of the mass media. In fact, it is quite logical that on the eve of elections the first draft law from this packet submitted for the consideration of deputies is devoted to the regional press. Today, an absolute majority of politicians seems to realize that at the forthcoming elections the greatest advantages will be gained by anyone who manages to take the regional press and cable television under his control. Regarding the draft law from this viewpoint, its political underlying

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reason is obvious: having failed in an attempt to take control of the central press, the Duma Committee for Information Policy and Communication suggests that the regional authorities conclude an alliance in order to form a controllable pool of regional press, if not by destroying, then by seriously weakening the independent local mass media.

The permanent striving of the Duma Committee for Information Policy to use the economic problems of the Russian mass media to achieve its own political aims has already cost a pretty penny to many publications. But while the country has no clear-cut state conception of economic support to the press, such maneuvers will inevitably continue.

***Chairman on RTV's Problems**

954F2981A Moscow SEGODNYA in Russian 26 Jul 95 p 5

[Interview with Russian Television and Radio Company director Oleg Poptsov by Sergey Fomin; place and date not given: "Oleg Poptsov: Freedom Should Be Earned"]

[FBIS Translated Text] Oleg Maksimovich Poptsov was born in 1934 in Leningrad. He graduated from the Leningrad Forestry Academy. He was first secretary of the Leningrad Oblast Committee of the VLKSM [All-Union Leninist Communist Youth League]. From 1968 to 1990—editor in chief of SELSKAYA MOLODEZH magazine. Since 1990—chairman of the All-Russia State Television and Radio Company [VGTRK].

[Fomin] Over the five years that have passed since the day the presidential edict was signed, from the viewpoint of television viewers the Russian Television and Radio Company has been through two crisis moments: in August 1991, when the entire Channel 2 was given to it, and in October 1993, when only the VGTRK was able to broadcast. How many crisis moments has the VGTRK had, in your view?

[Poptsov] Immeasurably more, of course. Situations that were to a certain extent stereotypical. The higher-ups get upset—crisis. Such aggravations constantly arose in relations with the Supreme Soviet—practically each congress created a colossal aggravation of the situation around Russian television, with attempts to take it under control and attack the president through television programs. The birth of "Parliamentary Hour" may be considered a stage of hand-to-hand combat between the branches of power. By then the parliament was in a state of permanent political hysteria. We had to apply tremendous effort to avoid a broadcasting war and dampen this boiling hostility. This was not at all easy for us: Formally, it was the Supreme Soviet that gave the approval for our existence, but in practice we represented the antipode to its reactionary majority. Any word in support of the president was perceived by the parliament's leadership as an invasion of infidels.

It is said that the mass media are always on the outside. This is not exactly true. They are not on the outside. They are on the frontline, because they report on events, attitudes to which differ. Those who do not like the events begin to exert pressure. Those who like them—support us. But then the question arises: Who prevails? Critical situations also arise on the wave of various rumors—for instance, in the winter of 1995, when the Chechen operation began, with the divergence of views on the events on Chechnya and the difference in perceptions of this process between the authorities and the democratic mass media. A critical situation is emerging right now—I was away from Moscow, and when I returned I was told about a certain segment in "Vesti," filmed at the graduation in the military academy, which was presented to the president as an alleged attempt to slight him or something similar. To the best of my knowledge, there was the phrase that the first toast was raised for the commander in chief. But apparently those who found something derogatory in this simply did not know that there is a rule in our military that the first toast to be raised is for the commander in chief, just as in the tsarist army the first toast was always raised for the tsar, and this never surprised anyone. True, "Vesti" did not exist at the time, and neither did the presidential service that found it expedient to inform the president in such a way as to upset him, throw him off balance as a result, and extend this imbalance outside the presidential circle.

Each such hidden conflict situation destabilizes the situation in society, and not just in our company. When the mass media are under attack, this does not improve their quality; it produces the jitters and uncertainty, increases the atmosphere of suspicion. I think somebody needs this—for everybody to suspect everybody.

[Fomin] Lately you have begun to show up on the air quite frequently, for a company chairman. In particular, your interview with the president of Belarus caused a lively response in the press. One gets the impression that the situation is such that the general has found it necessary to leave the observation post and decided to lead the counteroffensive himself....

[Poptsov] Let us reason logically: The question of reorganizing television is being actively discussed. And it is being discussed outside television, by people who want to rule over television or "get a piece of the action." Property division, a division of turf is underway. From the financial standpoint, a critical situation is developing in the mass media. Does the head of a leading television

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and radio company have the right to sit it out at the observation post and only listen from time to time to the sound of flying shells and determine whether or not they missed? No, it is absolutely clear that my task is to be at this moment at the center of events, discuss them to the extent of my abilities, and influence them to the extent of my competence. My responsibility is to make use of the reputation the company has earned, in order to prevent a mistake from happening. But in principle my task is to defend the interests of television viewers and radio listeners.

I cannot stand speculations and demagoguery on the subject of love for one's own people. It is a mockery to talk about how we care about our people and then do everything to deprive the ordinary person of the scale of freedom from serfdom that television and radio can give him. The mistake is in that the authorities perceive television as a kind of a strictly political battleground. But television also is leisure, food for thought, and emotional nutrition. If we, for example, preempt a soccer game with a political debate, we are giving in to politicians' pressure and serving the interests of a very small part of society, disregarding at the same time the interests of the immeasurably broader viewing public, which is actually the people. I am worried, when we are "in a bind," when we have no money, and I hear that the government is guaranteeing a preferential loan to ORT [Public Russian Television]. Why can it not give a preferential loan to the All-Russia State Television and Radio Company? Or to be precise, a preferential loan to the government itself, so that it can pay VGTRK's debts. I thought the banks came into the television business to help it, but it turns out that they came to take. I ask the question: "If the government has no money, what is it using as collateral for its guarantees?" Why should I be silent about this? I have to deal with the situation of underfinancing; the company is plagued by 1994 debts the government has not paid. It has an obligation to pay this money in any form—rubles, promissory notes, any form that will be acceptable to communications providers. If the authorities have any self-respect, they must keep their word. And at this time it would be simply both unprofessional and dishonest to stand on the sidelines. As to Lukashenka, when I read an article about my interview with him in OBSHCHAYA GAZETA—the comparison that came to mind was that of, for instance, a spaceship not getting launched and everybody beginning to talk about maybe changing the space strategy, the state of relations with the United States, and so on, but nobody takes into account the most ordinary situation—watchman Klim went on a drinking binge and took who knows where the keys to the fuel warehouse. We very often look for some supersignificant reasons in the manifestation of a particular fact, and therefore journalists produce a huge number of all sorts of myths. What really happened is that the announced program "Without Retouch" did not get the necessary broadcasting permits in time, and the program department, as usually happens, had to make a tough decision. One political program needed to be replaced by another, close in character. It is doubly regrettable because the interview with Lukashenka was not an ordinary one. It should have been advertised: This would have been in the interests of television, in the interests of the authors, and in the interests of the man being interviewed. Instead, we put it on "fresh," without even announcing it in newspapers—is this any way to do business? And after this to say that this had been "preconceived" by someone? Who would do, forgive me, a caesarean section on himself? It would be a lie to say that I was indifferent. I was interested in Lukashenka since the first moment he appeared on the scene, in his nonstandard attitude, in his nonpreconceived ideas, if you wish, in the way he was an unnatural for everyday politics. When you are interviewing a president, it is perceived as something that could not be accidental. Had it been an interview with a longshoreman, this would not have provoked any analogies. But when it is a president, the analogies begin with the notion of "president" in general, including with the president of our country. Nevertheless, the situation drives you to come out onto the field and become a playing coach.

[Fomin] The creation of the Russian Television and Radio Company was the first step in crushing the monolith of the former Gosteleradio [State Television and Radio Company]. Five years have passed and we now see a whole spectrum of different television channels, among which (I mean the most prominent ones) the VGTRK has remained the only one fully owned by the state. What are the advantages and disadvantages of this situation?

[Poptsov] State television channels do not have any advantages at all. State television channels have one remaining privilege—to be the first target of criticism and critical discontent on the part of the authorities. Everything is logical. The coming on the scene of the social model called "democracy" was an unaccustomed and difficult to digest product for society as a whole and for the authorities as a part of it. Hence the mongerish motto: "He who pays the piper orders the tune." It is an impossible situation when the public administration apparat lives by totalitarian laws, and everything outside it lives by democratic ones. Democracy can only exist if state structures "radiate" it: the president, the government, the Duma, the judiciary, law enforcement organs, state television. Then democracy is unshakeable because it has guarantors, and these guarantors are protected by

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the law and the rules by which people live, including those who are in power. Therefore, the task of state television is: first, to keep persuading the state administration structures of the unshakeability of the correctness of democratic development; and second, to carry the heavy cross of a different reading of these axioms. Hence all the conflicts. "All right, NTV can afford this," say the authorities, "but why do anchormen on "our," Russian, channel express viewpoints we find unpleasant?" Well, because they live in a democratic state, and because television and radio are, if you wish, the core of democracy and at the same time its environment. It is in keeping with democratic processes that attribution television and attribution radio began to come in; this is why anchormen appeared who, using the democratic environment in society, began to express opinions about the processes taking place in society. And therefore state television's position is very difficult, because there exists this tempting model, which says that journalists can only be free somewhere out there, outside of us, while we still have to claw out our freedom because we sort of get money from "them." But this is an illusion: We do not get money from the government—we are paid by the taxpayers, the same taxpayers who pay for the maintenance of the government, deputies, and all other state structures. In this sense the ideal model would be if the country had a small (for instance, 0.2 percent) television and radio broadcasting tax, which is collected directly into a television and radio treasury. To which the Ministry of Finance tells us: "We are all for a subscription fee, but the subscription fee should come to the Ministry of Finance. Just because the BBC does it this way does not mean we will." In this case, the effectiveness is zero. Like the broth from boiling eggs. With such a distribution we will still get 10 percent of what our taxpayers would be willing to give for the development of their own, domestic, state television. As to ORT, it is in essence a broadcasting structure with mixed capital. In the future it will most likely become private television. And perhaps this makes sense, although there is a danger. The question always remains: Which model do we choose for emulation? I am concerned that Russia and its main theoreticians will choose the American model for its economic development. I consider it quite arguable: Russia is a European country. In addition, Russia is a corridor between Europe and Asia, and the Japanese, whom one cannot call a hopeless nation, did not choose the American model—despite the fact that all reforms in Japan were "laid in" by the Americans—but a European one, with huge state television coexisting with private television companies. I am simply convinced that Russia cannot exist without a strong, independent, state-owned, public-oriented to the utmost, and therefore democratic, television. And for a long time we thought that the president shared this view.

[Fomin] A critical point is approaching in the relationship "authorities—television—people": the election campaign. How can you withstand the runaway politicking, on one hand—which, of course, will be accompanied by all sorts of promises—and on the other, maintain your dignity in the eyes of television viewers?

[Poptsov] Good television is the one people trust. Not "mine" or not "mine," as the authorities see it. In this respect, we return to the well-known axiom: A state is a territory on which the population called the people lives, which the authorities govern. Therefore, for state television it is very important to define priorities: What is the main thing? The main thing is the interests of the territory and the population living on it. The main thing is to help the authorities not put themselves in conflict with the interests of the territory and the interests of the population and to have the governing of the country contribute to the well-being of the territory, so that the authorities will not commit mistakes that may lead to catastrophes on the territory and among the population. This is a state policy of state television. Therefore, in order not to lose society's trust, we need to use the main mechanism—the mechanism of truth. But let us not pretend that life is some sort of a spineless state, and journalists—some sort of spineless beings. We call them "the fourth estate," but these gentlemen—journalists—are also voters! It is just that by virtue of their professional duties, journalists find themselves between other voters and the authorities, because it is their job to tell the authorities what the voters think, and to tell the voters what the authorities think. The authorities, on the other hand, very often think that they do not need middlemen and speak best on their own behalf. This is a delusion, because communication is a professional skill. And we have to keep in mind that as voters these professional journalists see for themselves every day whether reforms work or not. I believe that in the election campaign the equality stipulated by the law will be observed, but it would be absurd to turn a journalist into a person who simply turns the microphone on and off. A journalist has no right to appraise candidates' programs, but it is his professional task to insist that they reveal themselves and their programs to the maximum extent. Which means protecting the interests of the people, not deluding them. State television's task is to protect democracy as an environment instead of turning it into an instrument with the help of which political forces come to power in order to later destroy democracy as a substance. History knows of such examples.

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As to elections, the principle is unequivocal: operate within the law. Any word has a right to be heard, and if a party or movement is registered in keeping with the law, this means it is equally entitled to the same things as the others.

[Fomin] Back in 1991 you said in an interview that in the current conditions it would take at least 10 years to build a new television center. However, the newsroom in the VGTRK building took less than a year to build....

[Poptsov] A newsroom is not a television center—it is only one adequately equipped cell of the planned big broadcasting entity. In addition to the newsroom, we also built a complex for children's programs, which no other television company has. From the very beginning we said that we have two priorities: information and children, and this is where we concentrated our efforts. I am glad that as the company chairman I have kept this promise. Without additional money, we put together everything we have managed to earn and committed it to these two units. Not too many people believe it, but we built a "turnkey" newsroom in a matter of nine months. Moreover, we switched to using this equipment without any interruptions in broadcasting—the whole information department team gave up their vacations for this. No country in the world currently has a newsroom like this: It was custom-made in the Netherlands, and, for instance, the BBC operates on an older system. But work on 35 Shabolovka has almost been suspended—we have no money for capital construction. Had we received $23 million in 1993, then, as I promised to the president then, by 1996 we would have another transcontinental television system in Russia. In the United States there are five such systems, and we have one, which means a complete monopoly and complete dependence on it in the area of television broadcasting. We lost the opportunity to build a second system because of political score-settling, because of the desire to suppress, interfere, and sell off. In the current conditions, the mass media and television are guarantors of the state's stability. In the chaos of instability to which we have by now become accustomed, and the runaway lawlessness, a person receives a newspaper in the morning, or turns on the radio or television set, and sees that life goes on: "Vesti" is on; "Monday Mystery Movies" are on. From an information media, television has become a mechanism of state administration. During the transition period it has acquired tremendous significance. We do not have 35 channels as they do in America, after all.

[Fomin] You said in the past that advertising is emotional nourishment for the reforms. But nothing irritates and turns off the viewer more these days on television than advertising.

[Poptsov] A working person always irritates a person who does not work, and a successful one always irritates a slouch. As soon as domestic production begins to grow, the image of advertising on television will change within a month—I said this at a government meeting. And 95 percent of complaints regarding advertising will be moot. When there are no goods to sell, they are invented: Banking services, the services of various risky joint-stock companies and voucher funds become a commodity, with the blessing of the state, which gives them licenses and puts the mass media on the spot: We broadcast this advertising because this is all legally permitted. And then we are told that we deceive people. But take away advertising, and you will practically deprive yourself of the impulse for the progress of reforms. Advertising is testimony to a changing life; advertising is testimony to the changing nature of property; advertising is testimony to emerging new market structures: exchanges, banks, joint-stock companies, funds. If we do not broadcast advertising, who will find out that there are two principles of privatization: according to Chubays and according to Luzhkov? And who will know that Napoleon's image on the coin is better than the original? But the important thing is for us to create advertising that will spur domestic production, and this can happen only when it begins. When, for instance, the Cherkizovo meat-processing plant comes to us and first asks us to advertise their sausage, and then two days later says: Cancel that, we have already sold everything in stock—one can only laugh. The country does not grow this way. But advertising should not deceive: If we begin to advertise domestic goods producers, their products must be as advertised. One cannot advertise the way it is done in a market competition environment and at the same time produce the old way. Our system has always differed from all other social systems in that it proclaims: "Nobody is unwelcome at our table," thereby practically imposing the model of dislike for one's own people.

This is a tragedy: You buy a car, and then you spend a month on your back repairing everything you can reach, because the manufacturer does not give a damn about what he puts out. And you cannot drive this car because you will instantly get into an accident—nobody treated this car as something his relative would drive. You buy a garment from a domestic manufacturer, and it is put together in a way nobody would make a garment for one's own family. You buy sausage and find who knows what in it, because nobody imagined his own children eating this sausage. Nobody thinks about people and their feelings, and this blatant disregard for everything has created a huge syndrome of mutual disrespect. The customer stood in line and was happy that he could buy

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anything at all. Buy only this crane, because there is no other—there is only one plant making cranes. Never mind that the beam is falling off—fix it yourself. This absolutely spoiled goods producers, because they never thought they could end up being uncompetitive—they always thought they could dictate their terms and their whims.

We are now trying to create a consumer society, as in civilized countries, and present one successful lawsuit as a great achievement. Because the courts and the jurists have the same disregard for society: Our business is to know and interpret the laws, and you just sit and listen. This is where the "cog in the machinery" theory got us, and now that a completely different wave is coming, all those who lived by this theory cannot understand: What is it? Who are they, these people, where did they come from, where do they belong? That is why we hear again: "Not ours!"—SEGODNYA newspaper is not "ours," NTV is not "ours," Poptsov is not "ours." It should be understood that such thinking is dangerous not because of the thinking per se but because society acquires the capacity to multiply enemies and loses the skill of making friends. This poses a danger to morality and ethics, and hence to the life of society itself.

Regional Affairs

*Duma, Federal Council Disagreements on Local Government Laws Viewed

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[Interview with V. Tarasenko, by Mikhail Leontyev, under rubric "Legal Experts": "Vasiliy Tarasenko: We See the Law Being Transformed Into Privileges"]

[FBIS Translated Text] **Vasiliy Georgiyevich Tarasenko is the chairman of the Federation Council's Committee on Federation Affairs, the Federative Treaty, and Regional Policy. Candidate of legal sciences. Prior to the election, worked as deputy chairman of a board of lawyers in Samara.**

[Leontyev] The impression is being created that the fact that the law on local self-government was not enacted has gone unnoticed by the public. Currently the law on the procedure for forming the Federation Council is "hanging in the wind" (because of the resistance on the part of some of the upper house). The opinion is spreading that we do not need those laws very much. Moreover, that opinion is given out as the position taken by the highest executive authority.

[Tarasenko] You have noted correctly that the political elite took a completely indifferent attitude toward the questions linked with the acceptance and further advancement of the laws on the overall principles of organizing local self-government in the Russian Federation and the law on the procedure for forming the Federation Council. In my opinion, everything was discussed that should have been, but those two legislative drafts have fallen completely out of the field of vision as though they do not even exist. There exists a kind of conspiracy — if not of silence, then of indifference — with respect to these laws. Most likely, this is a demonstration of the attitude taken by the political authority to the RF Constitution which that authority itself created, a document in which both the law on local self-government and the law on the procedure for forming the Federation Council are included among the base ones that are fundamental for the Russian state system, if one looks at Chapters 1 and 2 of the Constitution. This is a surprising method — to vote by silence against democratic reforms, against republican forms of government, and, I feel, against the Constitution itself. That is, practically speaking, what we are dealing with is the revision of the Constitution in a quiet, concealed, calm style: "there exists the opinion that these questions do not have to be discussed."

[Leontyev] But what are the motivations?

[Tarasenko] I think that it is necessary to seek all the motivations "from the stomach," that is, from the economic interests, the interests of property, by which the law on local self-government threatens the regional leaders. I am not even talking about the governors and presidents, but am speaking about all those who have the real power in their hands: both the power of the purse strings, and political power.

[Leontyev] This power of theirs lies primarily in the distribution of property.

[Tarasenko] It is as though property is outgrowing its function. It can change rapidly from the category of civil law and from an economic category into a political one. The basic misfortune of this law is that it encroaches upon absolute political power. I cannot refrain from recalling one of Bulgakov's heroes: "I attacked the Lord God and not a single priest responded, but all I had to do was to criticize just one priest, and the entire church came crashing down on me"...

[Leontyev] To what extent is this position taken by the "regionals" linked with the process of redistribution of power and property?

[Tarasenko] If we recall our recent political past, the concentration of political power in the center, in Moscow, at the times when the Supreme Soviet existed, was excessive. This is exactly the same situation as though, on board a ship, all the basic cargo was hung

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from the topmost mast. Naturally, the ship can capsize not only from the waves, but also from being steered incorrectly. At the overall federal level, we have coped with this problem to a certain extent. The Constitutional Court has been formed; the procuracy, whether or not we like it, exists; the government, bad as it is, also exists; the Federation Council exists; the State Duma exists; the Supreme Court, the Court of Arbitration. That is, on the top floor of power, everyone found his own apartment.

And it would seem that the administrative reforms should have gone from the top floor to the regions. But we immediately found that, on the second floor of power also, it is necessary to have the same kind of procedures that existed on the top floor when it was necessary to exert strong political pressure in order to carry out the deconcentration of power. That is, the concentration of power is such that it makes it possible to ignore the overall federal interests. We know that the lower house and the upper house are supposed to counterbalance each other. Currently we are artificially creating for the upper house a kind of space in which it can blackmail everyone.

Because, if we are to speak frankly, blackmail is in progress. With the Civil Code we blackmailed the lower house, by using fancy phrases to the effect that "we shall not accept it because the people will not understand us." It turns out that it was accepted and everyone understood everything. With regard to local self-government, what is occurring in general is outright sabotage. It is interesting that that law is being opposed by all those who just yesterday were city mayors and now are governors. They say: do they think they can divide the property without me? I think that the question of redistribution of property and power is the basic field on which the interests of the regional elites come into conflict with the interests of the public. If one speaks of democratic reforms and the sovereignty of the people, then we must implement the recommendation of the chapter in the RF Constitution where the go-ahead light is prescribed for local self-government. Last year the president of the Russian Federation, at a conference dedicated to this question, said that we absolutely must resolve this matter. Well, then, let's stop talking and start acting. The law exists. It has been approved. All the amendments have been coordinated. And yet this law still is not being put on the agenda at a session of the Federation Council. People say: why do you need this? Then they say that this is prescribed by the RF Constitution. But we are still discussing a civil, law-governed society.

[Leontyev] Doesn't it seem to you that this kind of concentration of power in the hands of the regions enables them, as it were, to turn the "axis" of relations with the federal authority? Hierarchical relations are being transformed into relations of barter. That is, by possessing this kind of power in the outlying areas, they, on the one hand, have the opportunity to turn the horizontal line into a vertical one, to work with the federal authority as with a completely equal subject. On the other hand, to a certain degree the authority likes this arrangement. You can see how the current "party of power" is being built — at the expense of a deal. The strong ones get more, and the weak ones get less. At such time the regions are supposed to mobilize their political, economic, administrative, and financial resources in order to keep that party in power, or, as we put it, "to stabilize" it.

[Tarasenko] There is indeed the tendency that the regions are impatient about being put on a par with the overall federal agencies of power. We must, if we are speaking about the Russian state, recall the Yugoslav experience. There the changeover from vertical relations to single-plane horizontal ones actually transformed the state from a constitutional one into a treaty state, and treaties abolished the constitutional basis for the existence of the state. That is followed by just one thing — the consistent disintegration of the state into component parts that do not have common interests, but only purely military and territorial claims against one another. The system currently is being arranged in such a way there is a turning away from the vertical relations that are not called unitary ones.

Russia is a centralized state. Any Federation is a centralized state. That does not mean that unitary relations must be preserved. But we are making the transition from centralization to decentralization, to political decentralization. And this is the most dangerous thing. The overall model of the existence of a Federation is a politically strong center and economically strong regions. We currently see the law being transformed into privileges. According to the general rule, privileges replace the law and in the final analysis destroy the privileges themselves. It is true that there has been a weakening of the internal ties in the state.

[Leontyev] How do you see the current correlation of forces and interests between the houses?

[Tarasenko] We see that the State Duma, however much it has been reviled, has proven to be more constructive in the way that it expresses the nationwide interest — I have in mind the overall Russian interest. The State Duma has proven to be closer to the state with respect to adherence to the preservation of the state system than the upper house of the parliament is. We are well aware (this is general theory) that the existence

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of a unicameral parliament in a tremendous state is the path to dictatorship. Because it is very simple to "come to an understanding" with one parliament. It can simply be "multiplied by zero." The existence of only an upper house, a confederative one, is the path to confederation. That is, the state experiences colossal pressure on the part of the sovereigns: this an analogue of feudal fragmentation. It is also a great danger. The sense of the federative structure is in a bicameral parliament. But the nationwide interests are expressed by the State Duma. I see this in the example with the Civil Code and with other laws. In this sense the State Duma conducts itself very loyally with respect to the Russian state. And against that background is the excessive intensification at the present time of the upper house, when simply administrative qualifications appear. That is, whereas previously there was a property qualification, or a residency qualification, currently the idea of an administrative qualification has appeared.

[Leontyev] How is that qualification expressed?

[Tarasenko] It is expressed in the fact that people who have not been elected to the upper house can become members of it. Rather than those who got a vote of confidence from the population and who arrived there only for the purpose of executing the will of their constituents. The ones who will arrive are those who are linked with the administrative apparatus, who are governors or presidents. And that violates Article 10 of the Constitution, "Principle of the Division of Powers." The executive regional authorities become part of the legislative federal-wide authorities — are we really to believe that it is possible to correct in some cruder way the Constitution of the Russian Federation? But I am told: all right, but why can't the legislative agencies of the subjects of the Russian Federation work in the upper house? For the simple reason that the legislative authority has also been gradated. The legislative subjects have the right of legislative initiative in the regional federal-wide agencies. If I am a subject of legislative initiative and the upper house includes senators who are supposed to insist on the adoption of those laws, why is it necessary to go from one story of authority to another? Only in order to hold onto one's own power. All these assertions to the effect that for a very long time the senators in the United States were appointed count on deputy ignorance. Are we really to believe that a deputy cannot open up a book and read Section 3 of the American Constitution, in which it is stated outright that the senators never were governors? I am told that we have a special path. Once again a special path! When, practically speaking, what is occurring is a rejection of the fundamental principles of the republican state principle...

After all, the principles of the sovereignty of the people lie not in the fact that there currently exists direct democracy. For a long time direct democracy has not existed anywhere, because it is impossible for everyone to vote everywhere, on all questions. Well, what about a referendum? It is possible once in a lifetime to carry out a Constitution or once in a political season to conduct a referendum. The fact of the matter is that democracy exists only in well-ordered parliamentary forms. Modern civilizations have come to a combination of that democratism and parliament (representation). Because it is impossible to express the will of the constituents in another form. And it is upon that will of the constituents that the attempt is currently being made to place a soft bridle. People say that there is no need to vote a second time for the same people. They got a vote of confidence for their work in the regions, and the regions are tremendous countries. For example, 320 Osetias would fit on the territory of Yakutia.

The deconcentration of power always leads to the redistribution of political influence. And the political elites understand that the unlimited power can be taken away from them.

We are all in favor of having the territories being self-governing. I shall say something more than that. Chapter 2 of the RF Constitution, the "Bill of Rights," cannot be implemented without local self-government. Chapter 2 of the Constitution, "Rights and Freedom of the Individual and of the Citizen," is not being implemented on the federal-wide level. There is nothing there for a specific person to do. So where does he implement his political right? On the level of local self-government. The right of the property owner is in local self-government. The striving for a political career is in local self-government. The rights of the political individual, whatever the classic authors of federalism say, are implemented only on the level of everyday life. Right here, down below, in the city, in the village. And it is precisely on this law that the seal of administration retention is placed. Properly speaking, why?

*Socioeconomic Situation in Russian Regions

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[Article by I. Prof A. Zhandarov, doctor of technical sciences and deputy director of the RF State Statistics Committee's Analysis Administration, and F. Shiller, candidate of physical and mathematical sciences and adviser with the RF State Statistics Committee's Analysis

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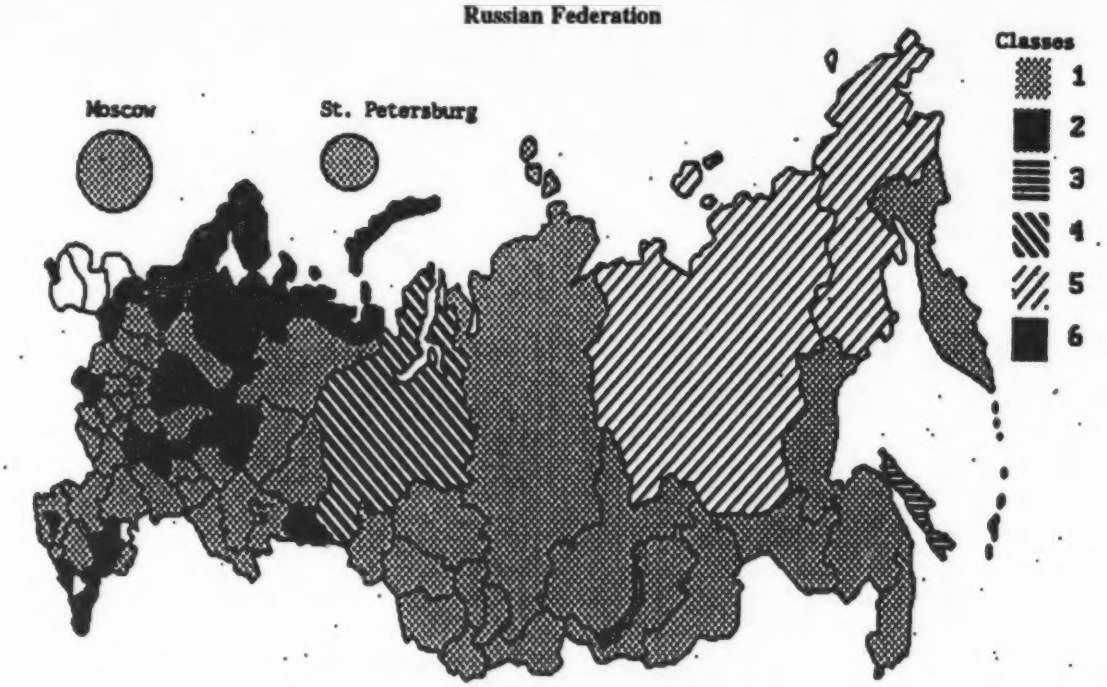
Administration: "Analysis of the Socioeconomic Situation in Russia's Regions"]

[FBIS Translated Text] The rapid socioeconomic changes occurring in Russia's regions have given rise to the need to develop a special computer technology for monitoring them. This technology is based on a data base that has been established and is updated monthly and that contains a relatively small number of key socioeconomic indicators, on a special software system based on the principles of cluster analysis, and also on a specially developed program for the automatic classification of the regions and presentation of the results on screen or on a color laser printer in the form of a geographic map of Russia marked in different colors corresponding to each class. In selecting for the presentation of results a scale of classes that is somewhat unusual for the processing of statistical data, we deliberately rejected the traditional scale of ranks that can be used to determine each region's rating. The scale of classes does not define which region is "better" or "worse." It is simply that each of them has its own corresponding set of socioeconomic characteristics, the substantive interpretation of which can be used for various purposes, starting with assessment of the degree of investment risk and ending with the creation of prerequisites for analysis of the possible results of the upcoming elections.

Over the course of a year the socioeconomic situation in 76 regions of Russia was monitored; regional indicators were used, the minimum set of which was determined both by the semantics of the problem and by the need to synchronize the data possessed by the Russian State Statistics Committee. Only accessible data that are published monthly by the State Statistics Committee with a two-month lag was analyzed.



The following socioeconomic indicators were used: the minimum subsistence income [prozhitochnyy minimum], average wages, crime rate, the region's delinquent accounts payable, the region's delinquent accounts receivable, the average arrears in wages (thousands of rubles), the unemployment level in relation to the region's population, the ratio of the number of unemployed to the number of job vacancies, and the coefficient of funds as a characteristic of the differentiation of incomes in the region. As we gained experience working with the computer technology that was developed, we had to abandon the latter characteristic, since this

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coefficient is published only at one-year intervals and does not affect the results of the analysis of monthly dynamics. In our view, it is these dynamics that are the most interesting object of analysis, but the examination of them is not among the purposes of this article, since our results represent a kind of movie that shows the change in the situation in the regions, and it is impossible to show a movie without a projector—in our case a computer monitor. Therefore we are only describing the socioeconomic situation at midpoint in the interval of the monitoring that was conducted—as of the beginning of December 1994—and presenting certain conclusions regarding the changes that occurred.

As a result of the automatic classification of Russia's regions with respect to the aforementioned indicators, the entire lot—76 regions, not counting the Chechen Republic—was divided in accordance with the information as of 1 December 1994 into six non-overlapping classes.

The first class includes the regions that were relatively well off in terms of the entire set of indicators. The second consists of regions that were in relatively bad shape in terms of individual indices—crime and unemployment. The third consists of regions with high incomes and high minimum subsistence incomes and high crime rates. The fourth class consists of regions with maximum levels of accounts payable and receivable. The fifth class includes those with maximum arrears in wages. The sixth is the one with maximum unemployment.

The classification was made taking all of the selected socioeconomic indicators into account. Therefore, the brief characterizations of classes that are presented are highly generalized.

The first class (see map), with its center in the Altay Kray (the center here is not a geographical concept; it is determined in the eight-dimensional space of the indices used, with specially introduced spacing), includes 48 of the 76 regions, that is, more than half of Russia's regions. This class is characterized by average levels for Russia of minimum subsistence income and wages, and by a low crime rate. Nonpayments are also relatively low here. The class is not homogeneous with respect to the ratio of the number of unemployed to the number of job vacancies; this is attributable to the choice of weighted coefficients that were taken into account in the process of accomplishing the task of automatic classification. This class is relatively well off in the socioeconomic sense and does not contain regions with index values that stand out significantly in one direction or the other.

Within each class, leaders and outsiders were periodically determined using a multicriteria selection process. In December the leaders in the first class were Moscow and Moscow Oblast and certain oblasts in the Central and Central-Chernozem regions. The outsiders were the republics of Buryatia and Altay, Karachayevo-Cherkesia, Tuva (highest unemployment level), and Stavropol Kray and Novgorod Oblast (the ratios of average wages to minimum subsistence income in these regions were, respectively, 1.61, 1.66, 1.58 and 1.72, compared with 2.36 for the class on average), Maritime and Khabarovsk krays—high crime rate—and Perm, Orenburg and Kemerovo oblasts—high levels of arrears, including arrears in wages.

The second class, with its center in the Republic of Mordovia, consists of 23 regions. Here, as in the first class, the ratio of wages to minimum subsistence income was close to the average, although it was somewhat lower; arrears were somewhat higher, as was the unemployment level. In the republics of Adygey, Kabardino-Balkaria, North Osetia and, especially, Dagestan, the ratio of wages to the minimum subsistence income was low. In Leningrad, Arkhangelsk, Kaliningrad and Pskov oblasts, as well as Karelia, the crime rate was high. In Chuvashia, Kalmykia and Bryansk Oblast, the ratio of the number of unemployed to the number of vacancies was high.

Despite the fact that we are intentionally avoiding comparative—overall—assessments of the regions, preferring a substantive analysis (that is the purpose for which the scale of classes was introduced), let us nonetheless note that as of 1 December 1994 the socioeconomic situation in the second class was less favorable than in the first.

The third class includes only one region—Sakhalin Oblast.

The fourth class also includes only one oblast—Tyumen. Here the highest indices of accounts payable and receivable for Russia were found, the minimum subsistence income was not too high, and wages were high—which may create problems in the satisfaction of effective demand—and the crime rate was high. Throughout the entire interval of observation, Tyumen Oblast set itself apart as a separate class. The socioeconomic situation can be regarded as alarming.

The fifth class includes two regions: Magadan Oblast and the Republic of Sakha (Yakutia). Here we found Russia's highest indices of minimum subsistence income, considerable arrears in wages, and a high crime rate. The situation is not good.

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The sixth class includes a single region—Ivanovo Oblast. Here there were 95 applicants per job vacancy—the absolute maximum for Russia, and unemployment was also the maximum (4.5 percent of the population).

An analysis of the change in the socioeconomic situation from May 1994 through March 1995 enables us to draw the following conclusions.

The number of classes into which Russia's regions divided according to the chosen indicators fluctuated from four to six. According to the socioeconomic indicators examined, the overall socioeconomic situation in Russia can be characterized as relatively stable. The number of regions in the first class varied from 56 in March 1994 to 35 in August 1994. In this class there is a stable nucleus arranged around a somewhat shifting center. It includes Altay, Stavropol and Krasnodar krays and Nizhniy Novgorod, Ulyanovsk, Kaluga, Rostov and several other oblasts, which have remained in that class despite changes over time in values for the indicators in question. This attests to a certain stability in the situation in those regions.

The second class may be considered "promising": positive changes from the standpoint of economic security may be accomplished more rapidly there than in the other classes. However, the fact that certain regions have "floated" over time among the first, second and third classes is cause for wariness. That means that their temporary "well-being" is relative and easily destroyed, especially for regions that occupy border positions in terms of the socioeconomic indicators selected.

Two groups of regions are cause for concern. One of them is characterized by low minimum subsistence income and low wages, but relatively high unemployment and small arrears. The other is characterized by a high minimum subsistence income, relatively high wages, and considerable arrears. From time to time, various regions from these groups form independent classes and sometimes join other classes, occupying border positions in them. The first group includes, for example, Chuvashia; Mordovia; Kalmykia; Dagestan; Bryansk, Pskov and Yaroslavl oblasts; and certain others. The second group includes the republics of Khakassia and Komi; Khabarovsk Kray; Kemerovo, Orenburg, Irkutsk, Chelyabinsk, Perm, Murmansk and Amur oblasts; and Kamchatka.

Throughout the entire period of observation Tyumen Oblast formed an independent class—the highest nonpayments. The situation in that oblast represents an economic threat to Russia as a whole.

Another isolated region is Ivanovo Oblast. Because of the crisis in the textile industry, it had not only the maximum unemployment for Russia but also the greatest number of applicants per job vacancy.

As for the regions in Russia's South, the chosen system of socioeconomic indicators is not capable of fully characterizing the processes occurring there, although, for example, on the eve of the well-known events in the Chechen Republic, low numbers for the ratio of wages to minimum subsistence income were noted, just as they were noted in immediate proximity to that republic—in Adygey, Kabardino-Balkaria, North Osetia and, especially, Dagestan.

The system of socioeconomic indicators that has been used cannot, of course, be considered a final one (just as no other system can be). The dynamic processes occurring in Russia will require the revision and augmentation of this system. Certain difficulties may arise that are connected with the use of the methodology developed for analyzing the socioeconomic situation and that stem chiefly from the use of the scale of classes and cluster-analysis procedures. In order to surmount those difficulties, it will evidently be necessary to introduce several classifications: not just socioeconomic but also financial, production-and-economic, investment, and other classifications that will make it possible to characterize various facets of the overall situation.

The methodology used for analyzing the socioeconomic situation on Russia's regional level is not intended to replace traditional economic-statistics approaches to this problem. But with its help researchers, potential investors and governmental entities can get a view of the "overall picture" in its dynamic development. The further development of this methodology and computer technology envisages the creation of a kind of geoinformation system that will make it possible to obtain a characterization, on an ongoing basis, not just of the overall situation but of its details.

*Decree on Federal Property To Be Turned Over to Moscow Oblast

954E1219A Moscow ROSSIYSKAYA GAZETA in Russian 2 Aug 95 p 5

[Unattributed article: "Transferred to State Ownership: Decree No. 745, of the Government of the Russian Federation, 24 July 1995, Moscow"]

[FBIS Translated Text] **On the Transfer to Moscow Oblast State Ownership of Federally Owned State Enterprises, Cultural Organizations, Educational Institutions, Joint Stock Company Stocks as Well as State Property Held in Rental Enterprises, Limited Liability Partnerships, and Cooperatives**

The Government of the Russian Federation decrees:

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To transfer to Moscow Oblast state ownership federally owned:

—state enterprises, cultural organizations, and educational institutions in accordance with appendix No. 1;

—joint stock company stocks in accordance with appendix No. 2.

List of Rental Enterprises, Limited Liability Partnerships, and Cooperatives Holding Federally Owned State Property Which is Transferred into Moscow Oblast State Ownership

"Kolomenskiy lesokombinat" [Kolomna Timber Combine] rental enterprise, city of Kolomna
"Dmitrovles" [Dmitrov Timber] limited liability partnership, city of Dmitrov
"Konstantinovo" limited liability partnership, Sergiyevo-Posadskiy Rayon, village of Konstantinovo
"Teleservis" limited liability partnership, city of Zhukovskiy
"Vostok" [East] production cooperative, city of Shatura
"Zagotovitel" [Procurer] Sergiyev Posad cooperative, city of Sergiyev Posad

List of Federally Owned State Enterprises, Cultural Organizations, and Educational Institutions Passing Into Moscow Oblast State Ownership

Minselkhozprod [Russian Ministry of Agricultural Production]

Management of the experimental city milk plant currently under construction, city of Yegoryevsk

Rosleskhoz [Russian Timber Company]

Stupinskiy lespromkhoz [Timber Industry Company], Stupinskiy Rayon, settlement of Mikhnevo
state property held in rental enterprises, limited liability partnerships, and cooperatives in accordance with appendix No. 3

[Signed] Chairman of the Government of the Russian Federation

V. Chernomyrdin

Mintopenergo Rossii [Russian Ministry of Fuel and Energy]

Taldom State Timber and Fuel Enterprise, city of Taldom
Dubenskoye Peat Enterprise, Taldomskiy Rayon, settlement of Vorgash

Goskomoboronprom Rossii [Russian State Committee on the Defense Industry]

"Orbita-Servis" Technical Trade center, city of Balashikha
"Garant" Technical Trade Center, city of Vidnoye
"Orbita-Servis" Kaliningrad Technical Trade Center, city of Kaliningrad
"Garant" Technical Trade Center, city of Serpukhov
Krasnogorsk Consumer Machine and Tool Repair Plant, city of Krasnogorsk

Minobrazovaniye Rossii [Russian Ministry of Education]

Moscow Oblast Evening and Correspondence School for Deaf and Hard-of-Hearing Children, city of Podolsk
Khotkovo Boarding School for Children with Serious Speech Disorders, city of Khotkovo

Roskomkino [Russian Committee on Film]

Volokolamsk Film Department, city of Volokolamsk

Istra Film Department, city of Istra
Kashira Film Department, city of Kashira
Kolomna Film Department, city of Kolomna
Lyubertsy Film Department, Lyuberetskiy Rayon, settlement of Malakhovka
Orekhovo-Zuyevo Film Department, city of Orekhovo-Zuyevo
Podolsk Film Department, city of Podolsk
Pushkino Film Department, city of Pushkino
Serpukhov Film Department, city of Serpukhov
Solnechnogorsk Film Department, city of Solnechnogorsk
Shatura Film Department, city of Shatura
Local Industry Project Design Bureau, city of Moscow
"Levkovo" Hotel, Pushkinskiy Rayon, village of Levkovo
Podolsk College, city of Podolsk
Orekhovo-Zuyevo Manufacturing and Storage Enterprise, city of Orekhovo-Zuyevo
Dmitrov small business "Vtorres," city of Dmitrov
Yegoryevsk small business "Vtorma," city of Yegoryevsk
Serpukhov small business "Vtorma," city of Serpukhov
Chekhov small business "Vtorrez," city of Chekhov
Kaliningrad small business "Kamateks," city of Kaliningrad
Voskresensk small business "Vtorma," city of Voskresensk

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List of Joint Stock Companies With Federally Owned Stock That are Being Transferred Into Moscow Oblast State Ownership

"Agrosnab" [Agricultural Supply] joint stock company, city of Kashira
"Yegoryevskiy Khladokombinat" [Yegoryevsk Cold Storage] joint stock company, city of Yegoryevsk
"Serkholt" joint stock company, city of Serpukhov
"Naro-Fominskiy Khladokombinat" [Naro-Fominsk Cold Storage] joint stock company, city of Naro-Fominsk
"Vtormetinvest" [Recycled Metal Investments] joint stock company, Noginskiy Rayon, settlement of Vorovskiy
"Marfino" Vacation Home joint stock company, Mytishchinskiy Rayon, village of Marino
"Bronnitskiy yuvelir" [Bronnitsy Jeweller] joint stock company, city of Bronnitsy
"Serpukhovskiy lespromkhoz" [Serpukhov Timber Industry] joint stock company, city of Serpukhov
"Yegoryevskiy lespromkhoz" [Yegoryevsk Timber Industry] joint stock company, city of Yegoryevsk
"Mozhayskiy lespromkhoz" [Mozhaysk Timber Industry] joint stock company, city of Mozhaysk
"Narales" [Nara Timber] joint stock company, city of Naro-Fominsk
"Vtorres" joint stock company, city of Naro-Fominsk
"Papiteks" joint stock company, city of Podolsk
"Vtorma" recycled materials procurement and processing joint stock company, city of Pushkino
"Vtorrs-Germes" joint stock company, city of Shchelkovo

***Federal Law Grants Housing Subsidies to Far North Residents**

954E1219B Moscow ROSSIYSKAYA GAZETA in Russian 3 Aug 95 p 2

[Law signed by President Boris Yeltsin: "Russian Federation Federal Law: On the Distribution of Housing Subsidies Among Regions of the Far North in 1995, Adopted By the State Duma 19 July 1995, Approved By the Federation Council 21 July 1995"]

[FBIS Translated Text] This federal law establishes the distribution of federal budgetary funds for 1995 that are allotted for housing subsidies granted to citizens departing from regions of the Far North for areas with favorable climates. The distribution is carried out based on the depression criterion and taking into consideration the size of the departing population.

Article 1. To distribute the funds indicated in the federal law "On the Federal Budget for 1995" in the amount of 250 billion rubles (appendix 3, program 8 "Housing") only among regions of the Far North.

Article 2. To direct the allotted funds to the budgets of Russian Federation subjects with territory in the Far North. To direct the allotted funds to the administrations of the corresponding Russian Federation subjects chiefly for the resettlement of citizens from cities, settlements, and polar stations that are closing down in accordance with regional programs for the acquisition and construction of housing in regions with favorable climates.

Total appropriations (millions of rubles)	250,000.0
Republic of Karelia	1,500.0
Republic of Komi	42,000.0
Republic of Sakha (Yakutiya)	23,250.0
Krasnoyarsk Kray	9,400.0
Khabarovsk Kray	6,250.0
Arkhangelsk Oblast	9,000.0
Irkutsk Oblast	4,000.0
Kamchatka Oblast	1,750.0
Magadan Oblast	25,600.0
Murmansk Oblast	44,500.0
Sakhalin Oblast	17,000.0
Komi-Permyak Autonomous Okrug	500.0
Koryak Autonomous Okrug	1,000.0

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Total appropriations (millions of rubles)	250,000.0
Nenetsk Autonomous Okrug	14,300.0
Taymyr (Dodgano-Nenetsk) Autonomous Okrug	4,850
Chukotsk Autonomous Okrug	17,000.0
Evenki Autonomous Okrug	2,000.0
Yamalo-Nenetsk Autonomous Okrug	26,100.0

Article 3. The Accounting Chamber of the Russian Federation establishes operative monitoring of special-purpose use of the indicated budget appropriations.

Article 4. This federal law goes into force from the day of its official publication.

[Signed] **President of the Russian Federation**

B. Yeltsin

[Dated] Moscow, the Kremlin

31 July 1995
No. 121-F3

*Local Administrations Raise Revenue Using Municipal Loans

954E1252A Moscow ROSSIYSKAYA GAZETA (BIZNES V ROSSII SUPPLEMENT) in Russian 11 Aug 95 p 13

[Article by Aleksey Podymov: "Getting Credit from the Neighbors Instead of Moscow"]

[FBIS Translated Text] **By using municipal loans, local administrations are sometimes much more successful than central agencies in patching up the holes in their budgets.**

The need to attract surplus money on a par with state financial agencies seems to be a matter of serious concern on the local level. The report of the Ministry of Finance on the growing popularity of numerous types of regional loans provides persuasive evidence of this (see figure [not reproduced; information presented in tabular form]).

Regional Distribution of Municipal Loans in 1994 and Early 1995

Regions	1994	Early 1995 (Jan-May)
Moscow	2.1%	
St. Petersburg	77.7%*	
Central region	8%	15.8%
Ural region	8%	9.5%
North and Northeastern regions	1.4%	61%
Other regions	2.8%	13.7%

* The St. Petersburg municipal loan of 2.1 trillion rubles was registered in 1994 but continued to be floated throughout 1995.

The waning appeal of operations with foreign currency, intensified by the inflationary expectations which traditionally grow stronger as fall approaches, prompted the population and commercial structures to cooperate with local government agencies. The appeal of regional securities is reinforced on the one hand by the potential investors' more thorough knowledge of the local administration's spheres of activity and, on the other, by the "provincial" mentality of the issuing party's partners.

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Whereas state agencies expected the first savings bond issue to garner exactly 1 trillion rubles during the year, local administrations managed to secure almost 5 trillion rubles in 1992-1995—and almost 2 trillion of it just this year.

The administration of Khabarovsk Kray made the first attempt—and a quite successful one—to find a new way of borrowing money from the population at the very start of the era of radical reform. Its example was followed soon afterward by the Nizhniy Novgorod Oblast Soviet of People's Deputies, which used an unprecedented 5-billion-ruble bond issue to alleviate the housing crisis and to lay the foundation for the future success of the now famous "Gazeli."

A genuine breakthrougn occurred in the regional securities market in fall 1994. After the Government of St. Petersburg brandished its loan of 2.1 trillion rubles, municipal bonds began to be issued in literally every corner of Russia.

The interest of the issuing parties in the organization of regional loans is quite understandable. This gives them a convenient financial-credit instrument that is responsive to flexible regulation. The factors contributing to the activity of the issuing parties were the possibilities for the independent regulation of credit dates, the choice of the volume and structure of credits within reasonable limits, and the organization of the free purchase and sale of securities.

By the same token, the appropriate informational backing and the possibility of financing promising projects while earning an impressive income appealed to investors. Furthermore, uniquely favorable legal conditions for the issuance of regional securities took shape precisely in fall 1994: The State Duma passed the appropriate legislative bills, and the public trust in local administrations was strengthened, at least in the relative sense.

The virtually total absence of depositary structures on the local level, however, contributes nothing to good relations between issuing parties and investors. Even in the capital these structures, intended to protect the interests of investors, are still being set up, and mostly with the participation of foreign firms.

The economic incompetence of issuing parties sometimes leads to the prohibition of investments from outside the region, and the financial agents are often individuals and organizations with no experience in operations with securities.

The effectiveness of municipal bond issues depends largely on their purpose. The appeal of investments in the housing sphere, and frequently the prospect of obtaining housing, led to the use of around 40 percent of all the proceeds from the sale of these bonds for housing construction. Of course, there were frequent cases in which issues designated specifically as housing bonds garnered no more than 5 percent of the projected amount. This was simply a sign of the inaccurate assessment of the financial capabilities of the population and the unappealing nature of the proposed housing.

The volume of purely financial bond issues has recently displayed dramatic growth. According to experts, they represent from 20 to 30 percent of the total. By using bonds as an instrument to offset reciprocal debts, local administrations have been successful in attracting the funds of industrial enterprises. This practice has been quite productive in, for example, the Ural zone and in Cheboksary.

Whenever the bond issue is specifically related to promising investment projects, the effectiveness of the loans is frequently much higher than in the case of housing and financial bonds. It took only two weeks, for example, to sell all of the bonds in the Altay Kray Administration's 20-billion-ruble bond issue related to the territory's rich natural resources.

The development of regional bond issues is being impeded severely by the unlimited power of local agencies to determine the guarantees and organize the servicing of bond issues. By law, the Ministry of Finance cannot require the organizers of these loans to provide reliable guarantees. This can only be done by investors, who usually do not constitute a cohesive group. Nevertheless, the Securities Department of the Ministry of Finance has some instruments to keep local administrators from using at least the local budgets with the highest deficits as loan guarantees.

The relatively healthy nature of the practice of organizing local bond issues is indicated by the virtually complete absence of negative or scandalous reports. The local bond issues are not financial pyramids, and investors have had no trouble getting their money back, even when the projects have failed.

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***Nizhniy Novgorod's Military Industry-Based FEZ Assessed**

954E1252B Moscow ROSSIYSKAYA GAZETA (BIZNES V ROSSII SUPPLEMENT) in Russian 11 Aug 95 pp 9, 13

[Article by Yuriy Shukov, personal correspondent (Nizhniy Novgorod): "Private Owners Living Under the Same Roof as the Defense Complex"]

[FBIS Translated Text] **Unique "free economic zones" have been established at enterprises of the military-industrial complex in Nizhniy Novgorod.**

A special statute granting investment tax credits to some enterprises in Nizhniy Novgorod Oblast was signed back in January by V. Chernomyrdin, the head of the government. It specifically envisaged the creation of tax-free territorial production zones at three enterprises of the military-industrial complex—the Sormovskiy "Lazur" plant, the Plant imeni Petrovskiy, and the "Salyut" scientific-production enterprise.

These enterprises, which had worked successfully for the defense complex for many years, were in dire economic straits because of the reduction of military orders, the recession, the loss of personnel, and the nonpayments for released and shipped products. Meanwhile, they still had the same production area. At the Plant imeni Petrovskiy, for example, the production facilities occupy almost 12 hectares. They have to be maintained, and taxes have to be paid on them. As a result, the overhead costs of production rose dramatically. These plants, with their top-of-the-line equipment, were racing toward bankruptcy. This is what motivated the search for non-traditional ways of filling the "idle" production facilities.

The oblast administration decided to open up the vast territory of the near-bankrupt plants to the new wave of entrepreneurs. The new businessmen were expected to produce goods in high demand, to use resources more intensively and, naturally, to pay for them, and to employ part of the personnel staff. After the new entrepreneurs had developed their businesses and had grown rich, they could also support the municipal economy. This would give the defense contractors time to restructure their capacities for new types of production.

Members of the oblast administration also knew, however, that private capital could not be lured to the defense production facilities with mere promises. This would require a set of strong incentives and guarantees.

The authors and developers of the idea of the free territorial production zones (TPZ's) spent almost half a year seeking sympathy and support in various offices in the capital. The set of incentives for the businessmen was a particularly "tough nut to crack." Most of them were essentially supposed to be tax deferments. According to the original plan, each member of the TPZ was to conclude a separate credit agreement with the Ministry of Finance. When these agreements were being processed, however, the inefficiency of sending all of these people and all of this paper from Nizhniy Novgorod to Moscow became apparent. It would be more efficient to entrust this work to the oblast administration. This was the reason for the "Agreement Granting the Administration of Nizhniy Novgorod Oblast an Investment Tax Credit from the Federal Budget for Enterprises in the Territorial Production Zones of the City of Nizhniy Novgorod."

Of course, there were numerous disagreements when the document was being discussed by the Main Administration of the Federal Treasury, the Tax Reform Department, the Defense Complex Department, and other agencies. Now the journey is over, however, and the agreement was signed. Now the stage of concluding credit agreements with each separate enterprise in the zones has already started. Furthermore, no one has to go to Moscow to do this; all it takes is a trip to the local tax inspectorate.

Now all of the partners in these zones—the original proprietors and the new investors—are exempt from the payment of six types of taxes to the federal and local budgets for five years. They will also have certain customs privileges.

The coordinating council, made up of representatives of the local administration and the customs and tax services, the directors of the base enterprises, and the administrators of the TPZ's, held the first competitive bidding session at the end of March for parties wishing to conduct tax-free operations. There were 39 bids, and the projects of 23 firms were deemed suitable for participation in the work of the TPZ. Another 11 firms were advised to conduct additional technical and economic feasibility studies. Five of the bids were rejected because they would not secure the necessary workload for production areas and capacities and were technologically incompatible with the production specialties of the base enterprises. In the second bidding session, there were 23 bids, and the proposals of five firms were rejected.

Which criteria did the coordinating council use to judge the bids? There were many indicators, but three of them could be called fundamental: the required production area, the number of proposed jobs—and the percentage of these jobs earmarked for the personnel of the

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base enterprises—and, finally, the proposed investment volume.

Anton Smirnov, chief specialist of the TPZ division of the coordinating council, told me about the holders of the winning bids. I will name the firms offering the defense establishment the most impressive investment packages. A ticket to the Plant imeni Petrovskiy was awarded to the "Rossita-IR" joint-stock company, with a plan to produce sterile medical solutions, using 5,000 square meters of production area, creating 70 jobs, and promising investments of 5 billion rubles.

Another winner was the "Ralko" firm. It plans to produce a set of radar equipment for motor vehicles. "Ralko" will occupy a thousand square meters of production area, create 120 jobs (all of them for the personnel of the base enterprise), and contribute 50,000 U.S. dollars in investment capital.

The Sormovskiy "Lazur" plant will be joined by the "Baks-NN" joint-stock company. It plans to establish a production unit for lead-acid accumulators for passenger cars and trucks. "Baks-NN" will occupy 3,500 square meters, create 246 jobs for the personnel of the base enterprise, and contribute 1 billion rubles in investments. The "Sungari" joint venture has offered a package of 500 million rubles and 150 jobs.

In short, all of this will provide several thousand presently unemployed and unpaid defense workers with projects, equipment, and money. The ultimate purpose of all this is to unite the poor proprietors with their rich tenants in an atmosphere of harmony and affection. It is no secret, however, that affection is a fragile commodity. It will take a third party to extinguish all of the potential squabbles in time and to maintain order in the zone. Outside administrators, both legal entities and physical persons, will serve as the liaison between investors and base enterprises and between the zone and the government. They were also chosen on the basis of competitive bids. The winners were Director Yevgeniy Kozhurinov of the "Salyut" enterprise, who will now be a kind of curator of his own enterprise's TPZ. The outside administrator in the tax-free zone of the "Plant imeni Petrovskiy" joint-stock company will be the "Volgospetsmash" joint-stock company, headed by Yuliy Kovanov. The administrator of the Sormovskiy "Lazur" plant will be its old partner—the "Albatros" concern, headed by Naum Mnasin. Although all three were elected unanimously, they will serve a probationary period of six months. With the aim of turning the outside administrators into a genuine force at the base enterprises, a decision was made to transfer 51 percent of the stock in the enterprises under their management to them in trust.

"I want to remind you that the TPZ is an experiment," said Anton Smirnov, the chief specialist of the coordinating council division, "and there are only two possible outcomes for any experiment—abandonment or extension. If our experiment is successful, it could help in speeding up the resolution of the global problem of restructuring the defense complex. The tax-free zones should assure people and plants a smooth transition from the production of military goods to the production of goods in high demand in the market."

Now I will say a few words about the progress of the work in the zones. Many members of the first wave of contenders had plans that exceeded their capabilities. For this reason, some firms were unable to get their operations off the ground. The result was considerable futile effort. They were assigned specific production areas and equipment. The equipment was reserved for them for two or three months, and this turned out to be useless. The "Baks-NN" joint-stock company, for example, is still looking for the investments it promised. The "Sungari" joint venture is waiting for components from its Korean partner. The "Lazur" partnership is working at only 50 percent of its total capacity. That is why the organizers of the experiment are already trying to come up with a mechanism for the legal termination of the status of TPZ member, so that the area and equipment reserved for these enterprises can be offered to others.

There are also some strong enterprises, however. The "Altis" joint-stock company of the closed type is one example. It has made considerable progress, has pursued a vigorous hiring policy, already has many orders, and is increasing its operational volume each month. It has used the tax respite as an opportunity to invest more capital in the development of production. The example of "Altis" indicates that the advantages of the TPZ can have a strong energizing effect.

Governor Boris Nemtsov of the oblast, an acknowledged innovator, has calculated that it takes exactly two years for a promising idea to produce its first results. Vyacheslav Kronskiy, a member of the TPZ coordinating council, is certain that results in the tax-free zones can be anticipated within a year. Outside administrator Naum Mnasin believes that positive results could be obtained even sooner with a show of trust in the TPZ on the part of prominent businessmen and financiers.

***Novgorod Oblast Prepares Budget for Next Year**

954F2969A Moscow SEGODNYA in Russian 27 Jul 95 p 4

[Article by Tatyana Shchipanova: "Novgorod Oblast Prepares Draft Budget for Next Year—Local Financial

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Experts Present Package of Proposals for the President's Edict on Budget Federalism"]

[FBIS Translated Text] The draft 1996 budget has been prepared in the oblast. It shows a deficit of 25 percent. For the first time in recent years, Novgorod Oblast has prepared its draft budget for the following year in the summertime, and not at the juncture between old and new years. The draft budget forecast is linked with a forecast for socioeconomic development of the oblast developed by the Economics Committee. The total amount of expected revenues is R642 billion, total amount of outlays—R1.389 trillion (the entire 1995 budget came to R379 billion). Thus, a 25 percent budget deficit is fixed in the draft. However, even this amount of outlays in the trillions will not be able to fully support the oblast's financial needs unless the republic budget repays its debts on time. Thus, for the maintenance alone of sociocultural and domestic-services facilities obtained by local organs of authority from privatized enterprises, the Federation owes the oblast R217 billion (R192 billion was not received this year, and R25 billion—last year), although our local authority was one of the first in Russia to implement the presidential edict on transfer of these facilities from departmental to oblast jurisdiction. Falling hostage to its own initiative, the oblast authority deprived itself of the opportunity to more expediently resolve issues of preparation for the winter and timely settlement of debts of budget-financed organizations for municipal services. Numerous requests made of various Moscow authorities to examine this issue elicited a single response—the 1995 budget does not provide for these outlays. Then just a few days ago, after the meeting between Mr. Prusak, head of the oblast administration, and the president early in July, a copy of the letter arrived instructing Deputy Prime Minister Chubays to resolve the question of financing the agreed-upon amounts.

The oblast governor also handed the president a package of proposals for the president's edict on budget federalism, developed this year by Novgorod financial experts. Several of these proposals have already been adopted and specific taskings assigned the Ministry of Finance for their elaboration.

The Novgorod experts are proposing that stable revenue-base norms be established for all Federation entities, as well as stable norms for assistance allocations (transfers) from the financial support fund of the federal budget. The local financial experts are convinced based on their experience of how important it is to have stable norms. After the 1995 budget acquired the force of law, the share of the financial support fund belonging to Novgorod residents came to 1.5 percent. In this regard, the oblast acquired the status of especially needy territory, insofar as its per capita expenditures were not covered by revenues. But when upon decision of the State Duma, the Ministry of Finance coordinated the amounts of transfer based on 1994 operational results, the oblast lost its status as an especially needy territory and its share of the support fund dropped to 0.8 percent. It was necessary to try to prove that the 1994 results failed to take into account the debts of budget organizations for all municipal services (which amount to more than R72 billion), and that the outlays portion of the budget had therefore decreased. In the opinion of the proposal developers, the existing scheme of distribution of transfers is quite subjective. Forceful lobbying may raise the percentage appreciably. For example, they raised this percentage to 10 percent for Moscow Oblast, declaring it an especially needy territory! As a result of efforts on behalf of Novgorod Oblast, the percentage was restored. Now the level of assistance is calculated at R137 billion, although the deficit remains powerful—R90 billion.

The next oblast proposal comes down to one advocating that the financial support fund be formed not just from value-added tax, as is the case today, but also from general republic budget revenues. This proposal has found support in a Ministry of Finance committee. Mr. Vorobyev, chairman of the oblast Finance Committee, believes that success will be achieved in advancing the proposal on regular issue of financial assistance in the form of advance transfers, to eliminate the existing practice whereby transfers for May arrive in July, while oblast budget expenditures are effected daily.

*Perm Deputies Appeal to Premier on Monetary Policy Effects

954F3054A Moscow SEGODNYA in Russian 3 Aug 95 p 3

[Article by Igor Lobanov under "Epistle" rubric: "Perm Deputies Write a Letter to Chernomyrdin and Paramonova: "People's Deputies Concerned About Money, the Value-Added Tax, and the 'Dollar Corridor'"]

[FBIS Translated Text] Perm—The Perm Legislative Assembly called on Viktor Chernomyrdin and Tatyana Paramonova to pay attention to a number of negative tendencies in the economy of Perm Oblast that were caused by recent decisions of the government and Central Bank, having sent a letter to them on 1 August that was initiated by a group of deputies-entrepreneurs. The text of the letter is comprised of three blocks dedicated to the shortage of cash, the increase in the value-added tax and the tax on food products, and the introduction of a "dollar corridor."

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In particular, the letter states that the Central Bank's restriction beginning 10 July of the issue of cash from clearance centers to replenish the funds of commercial banks led in Perm Oblast to delays in the payment of pensions, wages, and bank deposits. According to Grigoriy Barshevskiy, deputy and banker, the Perm banks have been forced to purchase cash from Moscow branches, where for some reason there is money, paying 0.5 percent or more of the sum.

In the opinion of the Perm legislators, the artificial restriction of cash issued to the population is a violation of the right of citizens to a pension, wages, and free disposition of their savings, a right protected by law. The actions of the Central Bank, the letter asserts, "created social tension in the oblast and are an illegal and unacceptable means of fighting inflation."

The local parliamentarians report in the letter that there was a substantial increase in the prices for food products in the territory of Perm Oblast after the government recently raised the value-added tax. The deputies of the Legislative Assembly think that the "significant (up to 20 percent) increase in the value-added tax on food products over a three-month period creates a good ground for the shadow economy and puts it in a more favorable position in comparison with law-abiding structures. This creates the conditions for an increase in violations of the law in the area of taxation and a reduction of budget revenue."

In welcoming, by and large, the introduction of such a stabilizing measure as the "corridor of the dollar exchange rate," the Perm legislators directed the attention of the prime minister and acting chairman of the Central Bank to the difficult situation of export enterprises, for whom they essentially "limited income at a time of rapidly increasing expenditures." The latter circumstance, according to the letter, was caused by a continuous increase in charges for gas, oil, electric power, and railroad transport services.

In enumerating the grievances and reproaches against the government and the Central Bank, the deputies of the Legislative Assembly expressed the opinion in the letter to their leaders that "along with the introduction of a 'dollar corridor' they should legislatively stop the increase in the charges for the above-named monopolists, reduce customs duties on exports, and abolish the value-added tax on the export services of railroads."

The deputies, to be sure, do not really have much hope for a reaction on the part of the addressees. Some of the authors of the message admit that the letter has more of a political than an economic basis. Under such circumstances, a notable factor is the timing of the new "demarche" of the Permians—for the second year in a row now, the fits of political activity of the Legislative Assembly are coinciding with the period of maximum decline in the business and economic sphere. We recall that last year's sensational announcement of the termination of the participation of Perm Oblast in the agreement on a social pact was also made in August. This coincidence, however, was more of an accident. The real reasons prompting the deputies to get involved in the epistolary genre are found in the coming elections and the necessity in this connection of appearing worthy in the eyes of the future voters.

*Migrant, Refugee Problems in Pskov, Novgorod Regions

954F3054B Moscow SEGODNYA in Russian 3 Aug 95 p 3

[Article by Tatyana Shchipanova under "Experiment" rubric: "A Commission from Moscow Studied the Problems of Migrants in Pskov and Novgorod Oblasts: Officials From the Capital Are Satisfied With the Use of Federal Funds but This Is Not Enough for Local Authorities"]

[FBIS Translated Text] Novgorod—All of last week a commission made up of Minister of Construction Yefim Basin, his deputy Igor Turov, chief of the Federal Employment Service Fedor Prokopov, and Yuriy Bukin, chairman of the board of the Development Fund for central Russian regions, worked in Pskov and then in Novgorod oblasts. The commission studied the possibilities of resolving the problems of migrants.

In the words of Mr Basin, there are more than 2.5 million refugees in Russia today. And the forecasts indicate that this figure will increase. It will be increased by servicemen discharged to the reserves without work and housing and by migrants from the North who want to obtain housing in central Russia. But the question of their settlement is frequently resolved at the last moment. There is no government program that would provide for the staged resolution of this problem and determine a place of possible residence for these "poorly protected" strata of the population, as Mr Basin defined them.

In this situation, Novgorod and Pskov oblasts are assigned the role of a proving ground. In their territory, taking into account the appropriate climate, resources, and the sparse population, it is possible to settle some part of the people in need of housing and work. The officials who came to Moscow set for themselves the goal of assessing the possibilities for the construction of housing and the creation of new jobs in the two oblasts. The experience of analogous programs already carried out in both provinces convinced them that these projects

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can be realized in Novgorod and Pskov oblasts even with moderate federal financing. For example, there are presently six projects in Pskov Oblast and three projects in Novgorod Oblast aimed at organizing the creation of new jobs for migrants and refugees through the means of the Federal Employment Fund. In Novgorod Oblast, two very large sovkhozes—"Tashkentskiy" and "Gvardeyets"—as well as Starorusskiy Food Combine have taken on their realization. The members of the Moscow delegation also agreed that at the regional level the means allocated by the fund are being using effectively. But the mere statement of this fact did not suit the oblast administration. The fact is that the 3 million rubles [R] that the norm sets for the creation of one job is clearly insufficient. Just at Tashkentskiy Sovkhoz, the actual sum invested for the employment of one person amount to R10 million (and here they organized a total of 100 new jobs). This means that a large share of the expenditures were an additional burden on the oblast and rayon budgets. If things continue this way, then it will be disadvantageous for the oblast to deal with these questions even with the existence of all the conditions suitable for the settlement of the migrant.

The guests from Moscow agreed with the Novgorod Oblast administration that in each territory it is necessary to take a differentiated approach, setting federal standards (including for the organization of jobs) based on local conditions and the specific situation. In addition, they expressed their willingness to support several more oblast projects for the organization of new jobs and the development of new production so as to eliminate the problem of job placement not only for migrants and refugees but also for the local population.

This week the oblast will choose from a package of investment programs those that can pay off quickly and they will present them for review in Moscow, having secured the promise of government credits. "There is no need to depend entirely on the federal budget," noted Minister of Construction Basin, "we are seeking nonbudgetary sources for the development of the territories." One of them is the combining of the means of several funds at the level of the subjects of the federation so that they will not be dispersed in the territories. The experience of this year has shown that only 4 to 5 percent of all the means allocated for the resettlement of servicemen were used as designated, whereas it is unknown where 95 percent went.

***Rostov Oblast Shows Signs of Economic Stabilization**

954F3054C Moscow SEGODNYA in Russian 3 Aug 95 p 3

[Article by Sergey Agafonov under "Trend" rubric: "Rostov Oblast "Slowed Its Fall by Opening a Saving Parachute': Despite Many Problems, the Oblast Leadership Is Full of Hope"]

[FBIS Translated Text] Rostov-on-Don—The administration of Rostov Oblast joyfully announced that the results of the first half year in Rostov Oblast show a tendency toward stabilization. In a speech on Wednesday, Viktor Anpilogov, deputy head of the administration, presented figures that demonstrate the efforts and successes of the administration. Financial support amounting to 8.6 billion rubles [R] was given to 23 enterprises and for nine textile plants the property tax rate was reduced from 1.5 percent to 0.5 percent. Tax deferments were granted to enterprises in the coal branch that had fallen into a crisis situation. Altogether since the beginning of the year industry in the oblast produced output amounting to R6.6 trillion. This is almost 3 percent less than [the index] for Russia as a whole but it is significantly better than the indicator of last year, when the lag was 24 percent.

There was a noticeable slowing of the decline at enterprises in ferrous and nonferrous metallurgy and also in the metalworking and machine building branches. Overall the decline was slowed by a factor of more than three in comparison with the same period of last year. And the sources of own funding increased correspondingly by a factor of 1.6. At the same time, accounts payable amounted to R3.9 trillion, whereas debt receivable was R2.8 trillion. These indicators are strongly affected by the crisis of defaulted payments, including by the government. The state owes the defense complex alone R152 billion, which is almost half of its produced output. This, in turn, is leading to the incomplete payment of wages (as of today in the oblast, only an average of 60 percent of wages are paid on time, whereas the rest are paid with a delay of a month or longer).

The difficult situation in industry and agriculture is reflected in the work of financial and banking institutions. Thirteen commercial banks in the oblast finished the first six months with losses. It has been proposed that the license be taken away from three of them. Overall, however, commercial banks increased their profit by 27 percent in comparison with the same period of last year.

In a conversation with the correspondent of SEGODNYA, one of the leaders of the oblast administration expressed himself this way: "It was possible to slow

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the economic decline by opening a saving parachute. It is now necessary to select a landing point and not to miss. And this will depend largely on the political winds blowing at the level of the government and federation."

***Sverdlovsk's Strakhov, Rossel on Political, Economic Issues**

954E1227A Moscow ROSSIYSKIYE VESTI in Russian 4 Aug 95 p 2

[Article by ROSSIYSKIYE VESTI correspondent Vladimir Stakheyev on responses to ROSSIYSKIYE VESTI questions from Aleksey Strakhov, chief of the Administration of Sverdlovsk Oblast, and Eduard Rossel, chairman of the Sverdlovsk Oblast Duma: "Whom Will the People of the Urals Prefer at the First Gubernatorial Elections?"]

[FBIS Translated Text] 1. What do you understand by the region's sovereignty?

2. What, in your opinion, is the essence of the contradictions between the center and the regions and what are the ways of overcoming them?

3. How do you intend to satisfy the people of the Urals' social requirements?

4. What, in your opinion, are the main problems of the present economic system of the region and how do you intend to resolve them?

5. How does your program differ from the promises of your rivals?

Aleksey Strakhov, Chief of the Administration of Sverdlovsk Oblast

1. The concept of sovereignty, in my view, pertains more to state formations. In its application to the regions of Russia I invest it with the following meaning: the possibility of independently tackling the economic and social problems which the region can resolve far more efficiently than is the case from the center.

2. We have all studied dialectics and can say that it is a question of the contradiction of the part and the whole. The whole, Russia, that is, is represented by the center. The resolution of these contradictions is an infinite process enabling us to move forward and develop. They cannot be removed once and for all in some resourceful fashion, by the founding of new republics, for example. This is a complex process of the negotiations of the regions and the center between themselves aimed at the interlinkage of their interests and the joint resolution of common problems.

3. I consider as the main instruments of the executive in the resolution of social problems:

a calibrated and well-considered fiscal policy on both its revenue and expenditure sides;

economic stimulation and, if you will, the inducement of enterprises situated on the territory of the region to the resolution of the social problems of their own employees and families.

4. The economic system of Sverdlovsk Oblast is, like that of all of Russia, very diverse at the present time. There are branches in which the recession has been halted and in which an upturn has begun even. There are also those where the recession continues (defense industry, consumer goods production, agriculture, and others).

I see two main approaches here. First, assurance of a propitious climate for those who have already learned to work in the market economy—by the allocation of credit and investments. As far as those who have as yet been unable to adapt to the market are concerned, they need to be helped by the creation of a system of the training and support of small medium-sized entrepreneurs, so-called business incubators.

5. My program is not the truth in the last instance. On the contrary, I have endeavored to use the campaign to the utmost to develop and clarify it in the course of numerous meetings with my constituents. Much that is of interest has been proposed in the programs of the other gubernatorial candidates also. I intend to make use of all this in subsequent work. The main thing is that the action program be realistic and specific and based on the opinion of a wide range of professionals and specialists.

Eduard Rossel, Chairman of the Sverdlovsk Oblast Duma

1. The possibility of realizing the constitutional right of the population to local government in accordance with the basic law of the Russian Federation. In other words, this is a way to decentralize power in a federative state. The federative organization of state power should, in accordance with the Constitution of Russia, be enshrined and effectively realized.

All that is connected with support for man's vital activity should be left in the charge of the regions. This means health care, culture, education, and the control of local natural resources and all facilities pertaining to state property of the region.

The independent expenditure of financial resources should be granted the regions and their local government authorities also.

In order that the local community in the shape of local government of the cities, townships, and villages obtain

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truly practicable levers of support for normal activity for the population, for people.

The very term "sovereignty of the region" is in this case incorrect. It implies the complete independence of the organs of state power both within and outside of the region itself. I, however, am opposed to this in principle because this means a direct violation of the Constitution of the Russian Federation. To what this leads can be clearly seen in the example of the treaties of Russia, as the center, with a number of republics that are a part of it.

As an alternative, therefore, Sverdlovsk Oblast and other components of the Association of Oblasts of the Urals Region have proposed that treaties between the components and Russia contain the most important point: the supremacy of federal laws, and also the unity of the legal space and the sovereignty of Russia over the regions.

2. The main contradiction lies in the political sphere. The republics are deemed sovereign and are endowed with a far greater volume of rights than the krays and oblasts of Russia. And, most important, the krays and oblasts do not, in fact, participate in fair fiscal relations with the Russian Federation.

There is one way to overcome the contradictions between the center and the regions—strict compliance with the Constitution of the Russian Federation, which records that all components of the Federation are equal. It is this equality that should be observed unswervingly by the center.

3. The main purpose of power is the care and good of the people. For Sverdlovsk Oblast today this means a struggle against unemployment. For the needy, large families, and the handicapped, who are not themselves capable of securing for themselves the subsistence minimum—targeted social protection.

4. The arrears crisis and the absence of state and regional mechanisms of tackling them. The oblast budget is losing 300 billion rubles on account of this alone. The second is the strangulation of the commodity producer by taxes. The third is the absence of real opportunities for the region to influence the structural reorganization of industry in the area.

5. Precision of purpose and the well-considered cogent mechanism of their [as published] realization. The creation of a regional mechanism of an increase in financial resources and the economic conditions of the efficient operation of local government.

Comment

Yekaterinburg—Gubernatorial elections will be held for the first time in Russia on 6 August. Sverdlovsk Oblast was by presidential edict determined upon for this in the form an exception.

Nine candidates will fight for the post of governor of a major region of Russia. They include Aleksey Strakhov, head of the administration of the oblast, his first deputy Valeriy Trushnikov, a deputy of the Federal Assembly, Eduard Rossel, chairman of the oblast Duma, and the Urals businessmen Malik Gaysin, Yevgeniy Zyablitsev, and others.

The Urals, together with all Russians, has already endured many elections. The first gubernatorial elections are distinguished by a spirit of the most powerful advertising and campaigning. The capital of the Central Urals is today reminiscent of a giant canvassing site, in which the names of the candidates for governor assail you at each step. Colossal resources have already been spent on the elections.

Here are merely the official data on the sizes of the candidates' campaign funds. The leader among them is Aleksey Strakhov: His account has received R793 million from corporations and individuals. The total of private donations is R108 million. There is not a single publicly funded organization among his helpers, and this means that the taxpayers' money has not been spent on campaign needs.

Eduard Rossel's election fund is far smaller—R250 million. The entrepreneur Malik Gaysin has approximately the same. The campaign funds of the others are more modest.

On the hottest days of the campaign Yekaterinburg was literally swamped by a stream from the capital of Russia of "distinguished" friends of the governor candidates. They included General of the Reserve Aleksandr Lebed, Iosif Kobzon, Vladimir Zhirinovskiy, and Boris Fedorov and a whole stellar pleiad in addition. They all came ostensibly as guests, but their purpose was in actual fact to frankly support their party comrades. The party affiliation of the candidates for governor is of very little concern to the people of the Urals, incidentally. They want to see interesting thoughts and a grain of rationality in the extensive programs and promises of the candidates for the office of governor. We have today shown readers of ROSSIYSKIYE VESTI the two most consistent programs. It is now up to the electorate.

Our Information

The elections for governor of Sverdlovsk Oblast were scheduled by President Yeltsin by way of an

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exception—the practice of the appointment of the heads of the administrations of krays and oblasts is preserved in the transitional period in Russia, which, in the opinion of the president of the Russian Federation, is necessary for strengthening the vertical line of the executive. In addition, in the absence of federal laws on the system of organs of power in the Russian Federation and on the delineation of authority between the center and the components of the Federation locally a full-fledged legislative base for the elections of administration chiefs cannot be created. Nonetheless, 29 regions of the country, as we were told in the Department for Work With the Territories of the Office of the President of the Russian Federation, are discussing the idea of holding gubernatorial elections, with proposals that they be conducted simultaneously with the State Duma elections included. But officially the presidential "go-ahead" for such elections has been received only in Sverdlovsk (in August) and Nizhegorod (in December) Oblasts.

***Ingushetia International Airport Planned**

954F2974A Nazran INGUSHETIYA in Russian 18 Jul 95 p 1

["Directive of the President of the Republic of Ingushetia on the Construction of the 'Ingushetia' International-Class Airport"]

[FBIS Translated Text] Taking into account the importance of the development of the infrastructure of the republic and with the goal of complete and timely fulfillment of the conditions of the agreement with the General Contractor—the firm Seibert-Stinness (Switzerland) on the construction of the "Ingushetia" international-class airport, I DECREE:

The Government of the Republic of Ingushetia (M.I. Didigov) is to provide, on a priority basis and in full volume, delivery of oil in account of payment of the contract.

The Government of the Republic of Ingushetia (M.I. Didigov) and the chief of the Ingushetia Airport (M.E. Khashagulgov) are to render the General Contractor the necessary assistance and support in working out documentation, planning, and conduct of construction work and place at its disposal the territory of the airport, including the infrastructure.

The Ingushneftegazkhimprom concern (A.A. Lolokhoyev), the Ministry of Internal Affairs of the Republic of Ingushetia (M.M. Agiyev), and the State Customs Committee of the Russian Federation for the Republic of Ingushetia (Kh.S. Pliyev) until specific notice are prohibited from export and sale of oil and petroleum products from the Republic of Ingushetia.

The Republic of Ingushetia Development Fund (B.A. Korigov) is to conduct the financing of the project in strict compliance with the schedule and conditions stipulated in the contract and if necessary to put forward proposals to the Government of the Republic of Ingushetia.

Control over the implementation of present Directive is entrusted to the Chairman of the Government of the Republic of Ingushetia, M.I. Didigov.

[Signed] President of the Republic of Ingushetia R. Aushev

***Journalists Union Official on 'Information Vacuum' in Republic**

954F2974B Nalchik KABARDINO-BALKARSKAYA PRAVDA in Russian 3 Aug 95 p 2

[Interview with Akhmat Baysiyev, deputy chairman of the Republic of Karbardino-Balkaria Journalists Union, by Zh. Appayeva, under the "At the Journalists Union of the Republic of Kabardino-Balkaria" heading; place and date not given: "Akhmat Baysiyev: Without a Healthy Press, It Is Impossible To Build a Healthy State"]

[FBIS Translated Text] **The press is called the fourth authority. In many people's conception of authority, let us not be afraid of redundancy, everyone is subject to authority. Is this really so? Our correspondent spoke about this with the deputy chairman of the Republic of Karbardino-Balkaria [KBR] Journalists Union, Akhmat Baysiyev.**

[Appayeva] Akhmat, what does the KBR Journalists Union represent today?

[Baysiyev] Our union has the largest membership of all the creative unions in the republic. Its main segment, and this is more than 300 people, is directly engaged in providing the population with necessary information. This is both the electronic media, represented by the GTRVK [State Television and Radio Broadcasting Company] Kabbalkteleradio, and the press, numbering 49 titles of the periodical press.

[Appayeva] What are the functions and tasks of your union on the information market?

[Baysiyev] They are associated with the development of creative work and a growth in the professionalism of journalists, the realization of the principles of freedom of speech and of the press, the further consolidation of a social and legal basis of the activity of all aspects of the information process. It is not a simple matter to achieve this. You can train someone to be a journalist, send him repeatedly on creative retreats, and not achieve

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anything, if you do not think about his material well-being, his social protection, improving the conditions of his work, daily life, and leisure time. It is true that concerns of this type should apply to any category of worker. But one should not disregard the specifics of journalistic work. What has today not been built all the way can be finished later; the unpaid, paid; the neglected, recouped. But how are you going to make up for information that was not disseminated in time? Journalism is the front line in the formation of public opinion, where the slightest loss is fraught with unintended consequences. It is known to all that information that does not reach the consumer on time spawns a crisis not only in the information market, but also in society.

[Appayeva] What are the mutual relations in which journalism and the so-called free market have found themselves?

[Baysiyev] Alas, everything has been put upside-down. The most popular newspaper, ARGUMENTY I FAKTY, has lost 88 percent of its 1990 subscribers. The circulation of KOMSOMOLSKAYA PRAVDA has been reduced from 22 million to 1.4 million. In general, the situation is such that for 10 residents of Russia, there is one issue of an all-Russia newspaper.

The fate of the local press is likewise unenviable. The number of our subscribers has shrunk by three or four times. In a word, there are sufficient grounds to state that an information vacuum is being artificially created in our country. What for? Perhaps for the facilitation of control of the country, where practical information should be lacking? Otherwise, how can one explain the prodigious figures to which the post and telegraph, printing and other services have grown?

[Appayeva] How do matters stand with journalism's cadres?

[Baysiyev] Over a long time, the question of training a cadre of journalists remained almost forgotten, as a consequence of which a noticeable deficit of creative workers in almost all editorial offices was revealed. It is true, the KBR Ministry of Press and Information has undertaken certain measures. It is true that in five or six years, the republic's mass media will begin to get professionally qualified specialists trained at the Kabardino-Balkaria State University. However, it could happen that after their graduation, it will not be possible to drag them to the editorial offices even by force, if the current disproportion in pay stays the way it is. According to data of 1 April 1995, journalists of the republic's newspapers had salaries almost twice as small as in Russia's regions. I will cite examples for the sake of clarity. The average monthly salary of a department editor of a Nizhniy Novgorod Oblast newspaper came to 350,000 rubles [R]; in Kostroma Oblast, it was R400,000, at a time when this figure here was two times lower.

It is true, in recent months the president and the government of the republic have made positive adjustments in the remuneration of journalists and the increase in the honorarium fund, and as a result its social protection has improved. However, without additional compensation for the losses resulting from the daily growth of prices, it will hardly be possible to improve the situation.

The question of the improvement in journalists' living conditions remains extremely severe, and the organization of leisure and medical treatment demand a special approach. An edict of the president of the Republic of Kabardino-Balkaria of 4 November 1992 charged the government of the republic with apportioning in 1992-1994 the necessary capital investments for the construction in the city of Nalchik of 180 apartments and dormitories for workers in literature, culture, and art. Over the past five to seven years, the editorial-publishing complex has practically been allotted not a single apartment. The edict is not being implemented also in the part of transportation services for creative unions, or the establishment of favorable rates for electrical energy and other public utilities for workers in literature, culture, and art. These and other reasons serve as a brake for the replenishment of the journalistic ranks, and the dearth of creative job openings is reaching the catastrophe mark.

[Appayeva] Of course, questions on the social protection of representatives of the mass media are very important. But there is also the other side of the coin. After all, there also exists the Code of Professional Ethics of Russian Journalists, on the basis of which the decree on the principles and system of public control over journalists' observance of the code's requirements was worked out, and it is binding.... What is the codification of violation of norms?

[Baysiyev] I will cite examples. As a violation of the professional honor of a journalist there can be cases when a journalist receives from a person or organization with an interest in the publication of some article or another some kind of remuneration, gifts, property, or benefits, which could exert an influence on his independence in carrying out his professional duty. Or an example of the violation of official ethics: If a journalist, taking advantage of his official position at the editorial office, by means of editing distorts the content of an article prepared by his colleague, and without his knowledge publishes it in that form. To those permitting the violation of ethical norms, measures of influence

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can be applied, envisaged by the regulations of the corresponding unions.

[Appayeva] Tell us in greater detail, please, about the activity of the KBR Journalists Union.

[Baysiyev] I will cite only a few directions that we are working on, and what specifically has been done. Last year, with the active support of the president of the Republic of Kabardino-Balkaria, we were able to achieve a directive of the Cabinet of Ministers of the republic on granting the right of free travel to members of the KBR Journalists Union who are staff creative workers of the mass media within the borders of the Republic of Kabardino-Balkaria on all forms of public transportation (except taxis). As a result, journalists' creative activity rose noticeably.

In January 1995, the Agreement between the KBR Journalists Union and a number of ministries and departments was concluded, which, doubtless, will be of significant help in the implementation of the union's charter tasks. With the KBR Ministry of the Press and Information, an agreement was reached on the establishment of a journalists fund, and ways of forming its resources were determined. The fund's charter has been worked out and awaits discussion and adoption at one of the upcoming plenums of the union board of directors.

Certain work has also been conducted in the organizational-creative sphere. And the annual contest for the year's best journalistic work is being summed up. For the 50th anniversary of the Great Victory, with the help of the KBR Journalists Union, a Russian three-volume collection, "Living Memory," has been put out, where, alongside works by such famous masters of the word as K. Simonov, A. Akhmatova, and D. Kugultinov, sketches by two of our journalists have been included. In the spring of this year in Nalchik, an interregional conference was held of leaders of the journalistic unions of Russia, and a journalists' photo exhibition was organized in honor of Victory Day. We are participating in the conduct of the traditional republic festival of the young press.

I would like to note that the journalists of the Republic of Kabardino-Balkaria see it as their professional duty to objectively elucidate the processes taking place in the republic, to further the consolidation of the bases of a genuinely democratic and civil society. Journalists support and will continue to support the president of Kabardino-Balkaria, the parliament, and the Government of the Republic of Kabardino-Baikaria in the further stabilization of the situation in the republic, the strengthening of law and order, and getting the economy out of a state of crisis. This should be facilitated by the active and comprehensive support of the journalist corps, so that information and freedom of speech should truly serve the interests of our republic.

[Appayeva] Still and all, is the press the fourth authority in our republic?

[Baysiyev] It is difficult to answer that question in any definitive way, separating out just one of the Russian republics. The attitude toward the press in Kabardino-Balkaria in no way differs from the attitude in North Ossetia, Rostov, or, say, in Novosibirsk. Therefore, in order to give a general idea, I will touch upon the research of the Foundation for the Defense of Openness. To the question, "Do you believe that the term 'the fourth authority' reflects the true role of the mass media in our society?" only 17.5 percent of those polled answered affirmatively; 56.5 percent said that that is an exaggeration; and for 21 percent, the term "fourth authority" sounded like a mockery.

I hope that we will see a society where the word will have power, and that means that it will in fact be the "fourth authority."

Oblast Agreement on Socio-Economic Problems

954F3127A Irkutsk VOSTOCHNO-SIBIRSKAYA PRAVDA in Russian 15 Aug 95 p 5

[Agreement: "Agreement Between the Oblast Trade-Unions Council, Employer Associations, and the Irkutsk Oblast Administration on Resolving the Socio-Economic Problems of the Oblast's Population in 1995"]

[FBIS Translated Text] **The Oblast Trade-Unions Council, representing the branch trade union organizations and the labor collectives in the oblast; the Union of Industrialists and Entrepreneurs; the Union of Lumbermen; and the Agrarian Union of Irkutsk Oblast, representing the interests of the employers who are members of those associations; and the oblast administration, hereinunder called the Parties, on the basis of RF Law "Collective Contracts and Agreements," have concluded this agreement for 1995 concerning the coordinated actions of the Parties in the basic areas of conducting socio-economic policy and regulating labor relations; the providing of social guarantees and an active policy for the population's employment rate; the reducing of the gap between the cost of life and the population's income; and guaranteeing the motivation of productive labor, the protection of the workers' labor and health on the job, and the ecological safety of the oblast's population.**

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The Parties came to the following agreement:

Article I. In the area of economic policy

The oblast administration is:

1.1. To promote the creation of conditions for attracting investors' funds into the oblast economy.

1.2. To carry out a regional tax policy that encourages the growth of production and the entrepreneurship of the economically functioning subjects of all forms of ownership.

1.3. To promote the development of small and medium-sized entrepreneurship in accordance with a program that has been approved by the oblast governor.

1.4. To create conditions for developing individually owned farms in the oblast.

1.5. To pay off the indebtedness for 1994 to the agroindustrial complex for the protected item in the expenses of the oblast budget.

1.6. To guarantee the specific use of the budgetary appropriations that have been allocated for the needs of the enterprises in the agroindustrial complex and individually owned farms for 1995.

1.7. To guarantee to agricultural enterprises the payment of advances from the oblast budget in the amount of 58 percent of the value of the vegetable-husbandry output that has been contracted for and subsidies of animal-husbandry output.

1.8. To promote the preservation in 1995 of the preferential tariffs on electrical energy and thermal energy for the agroindustrial complex in conformity with the existing normative documents on pricing.

1.9. To guarantee the shipping in, from outside the confines of the oblast, of agricultural and other food products that are in short supply for consumption by the oblast's population.

1.10. In order to develop food-products markets and to maintain price parity, to establish a normative correlation between the value of purchased raw materials and the value of the finished output made from them, as well as the maximum amount of trade increases on the prices of the output to be delivered to the regional fund.

1.11. To monitor, in conformity with the legislation, the observance of the prices (tariffs) for output, goods and services, and supply-and-sales (middleman) markups, and the trade increases by oblast enterprises of all forms of ownership.

1.12. To inquire of the RF Government concerning the introduction of a differentiated railroad tariff for shipping freight from remote rayons of the country.

1.13. In order to provide agriculture, including lumber camps, settlements, with food products and commodities in mass demand, to promote the creation of a branch trade system; to conclude for 1995-1996 an agreement between the oblast administration and the oblast union of consumer societies.

Employers are:

1.14. To guarantee a level of production in physical volumes no lower than the 1994 level.

1.15. To take steps to reduce nonpayments.

1.16. In the collective contracts of enterprises, institutions, and organizations, to define the total amount of funds and the steps to train and retrain personnel and to raise the workers' proficiency level.

The trade unions are:

1.17. To promote the development and concluding at enterprises and organizations of collective contracts and agreements, and to defend and protect the labor interests of the members of the trade unions, and the rights and benefits of the labor collectives.

1.18. To render assistance to the oblast administration and employers in preventing and settling any labor conflicts that may arise.

Article II. In the area of income and the public's standard of living

The oblast administration is:

2.1. To carry out oblast monitoring of the social and labor sphere.

2.2. To preserve the tendency that had formed in the oblast in 1994 in increasing the workers' real income.

2.3. In contracts with the administrators of official enterprises, to stipulate their material and administrative responsibility for tardiness in paying wages to the workers.

The Parties in the social partnership are:

2.4. To make recommendations to the RF Government:

— concerning the increasing of the size of the norm-regulated amount of expenses for payment of the labor of workers at enterprises and organizations by the amount of increases based on hazardous working conditions;

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— concerning the reserving of 50 percent of the funds received at the enterprises' settlement accounts, for the purpose of paying wages to workers and to meet urgent needs; when determining the maximum size of the norm-regulated amount of the expenses for payment of the labor, to proceed from tariff rate of Category I (minimum amount of payment of labor) that has been defined by a branch tariff agreement.

Employers and trade unions are:

2.5. In the collective contracts of enterprises, institutions, and organizations, to stipulate the employers' pledges to guarantee the first-priority nature of the payment of wages to the workers before any other payments.

Employers are:

2.6. To carry out the payment of wages in accordance with Article 96 of RSFSR KZOT [Labor Code] and by the deadlines established by the collective contracts.

2.7. For hired workers performing work at the corresponding level of professional qualification, to accept as the minimum amount of the payment of labor that amount that has been established by branch tariff agreements.

2.8. In collective contracts, to stipulate the gradual increase in the workers' income, and the reduction of the gap between the size of the minimum wage and the minimum size of the payment of labor to 50 percent during 1995.

2.9. To carry out the coordination with the appropriate elected trade-union agencies of changes in the systems for paying labor and the forms of material incentive.

The trade unions are:

2.10. When concluding collective contracts, to define the responsibility borne by the employers for guaranteeing the prompt payment of wages and for observing the workers' labor rights.

2.11. Not to overlook a single instance of violation of the workers' legal rights in the area of payment and their working conditions. In the event of delay in the paying of wages to the workers, to require the employers to prepare and to execute unconditionally a schedule for paying off the indebtedness, and to use the right granted by Edict of the RF President to inform the legal agencies of instances of tardiness in the payment of wages or the violation of the workers' labor rights.

Article III. In the sphere of the development of the labor market and the promotion of the employment rate

The Parties in the social partnership are:

3.1. To guarantee the fulfillment of the programs for the employment rate of the oblast's population for 1995.

3.2. To consider as socially admissible an unemployment level in the oblast that does not exceed 5.2 percent. In the event that that level is exceeded, to develop specific joint actions to overcome the complicated situation in the labor market in conformity with the procedure that is in effect on the territory of the oblast.

3.3. Jointly with the oblast employment center, to study the question of extending the time limit for returning payment for the use of financial assistance to two years.

3.4. To review at a session of the oblast trilateral commission for regulating social and labor relations the rate of fulfillment of the oblast program for promoting the employment rate of the population during the first half of 1995.

3.5. To analyze monthly the situation in the labor market and to throw light upon it in the local press.

Employers are:

3.6. To observe the quotas established for the enterprise for giving jobs to young people, disabled individuals, women who are caretakers for children of preschool aid, and disabled children, as well as other categories of socially unprotected citizens.

3.7. To compensate completely the expenditures by the territorial services for the employment of the population for the creation of special jobs and for vocational training for workers who have contracted occupational diseases or have become disabled at the particular production entity.

Trade unions and employers are:

3.8. In the collective contracts of enterprises, institutions, and organizations,

— to stipulate guarantees for the workers that are additional to those stipulated by the legislation that is in effect, on the basis of their employment rate, including those for individuals of pre-pension age (three years before the assigning of a pension), for individuals in whose families one of the spouses is an unemployed individual, and for single parents;

— to carry out measures to retrain workers or to give them refresher training;

— to define the procedure and conditions for rendering material and other assistance to citizens who have terminated their labor relations with an employer (other than dismissal for culpablereasons) and who have lost

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the right to receive unemployment payments because of the expiration of the period for paying them that has been established by legislation.

Trade unions are:

3.9. To render free consultation and legal assistance to trade-union organizations and trade-union members with regard to questions of employment.

3.10. To monitor the observance by the employers of the guarantees to assure the employment rate of workers that have been established by a collective contract or by branch or special agreements, using the powers that have been granted by legislation that is in effect, and to strive to see that their observance is guaranteed.

Article IV. In the sphere of protection of labor and ecological safety

The oblast administration is:

4.1. To develop a program to protect and improve the working conditions in Irkutsk Oblast in 1996-1997.

4.2. To prepare a draft of oblast Law "Nonbudgetary Fund For the Payment of Labor."

4.3. To guarantee the providing of regular information to the population concerning the ecological and radiation situation in the oblasts and the steps being taken to improve it.

4.4. To promote the fulfillment of the national plan for actions to protect the environment in the oblast.

4.5. To extend the work of improving the system of ecological monitoring and ecological certification.

Employers are:

4.6. In collective contracts:

— to stipulate social guarantees and benefits to the workers that are additional to those stipulated by the legislation that is in effect, in the event of their contracting of an occupational disease or their loss of able-bodied capability as a consequence of the execution of their labor duties, as well as for the families of workers who have died on the job;

— to develop a program of measures to protect labor and to assure ecological safety at the enterprises.

Trade unions are:

4.7. To carry out public monitoring of the use of the rules and norms pertaining to the protection of labor.

4.8. To take steps to assure the observance of the guarantees and benefits of workers who have suffered from accidents on the job or have contracted an occupational disease, as well as the members of their families, which guarantees and benefits have been established by legislation that is in effect or by a collective contract.

Article V. In the area of the social protection of the population

The oblast administration is:

5.1. To adjust the basic directions in the social support of the oblast's population for 1995.

5.2. To publish every quarter the size of the living wage.

5.3. To resolve the question in the RF Government:

— of allocating appropriations to guarantee the shipping in of freight into the rayons of the Far North with a limited navigation season;

— of allocating funds from the federal budget for the construction of housing for persons who are leaving the northern rayons.

5.4. To stipulate in the 1995 oblast budget the expenses to pay off the indebtedness for paying grants in aid and compensations for children in conformity with the legislation that is in effect. To recommend similar measures to the mayors (administration heads) of cities and rayons.

5.5. To recommend to the city rayon administrations the preservation of the benefits and compensations for maintaining the children of workers in the budgetary sphere in preschool and educational institutions.

5.6. To prepare a draft of the oblast Law "Development of Education in the Oblast."

The Parties in the social partnership are:

5.7. To provide citizens who are on record as requiring the improvement of their housing conditions with housing in conformity with the housing legislation that is in effect.

5.8. To create an oblast nonbudgetary housing-construction fund.

5.9. To continue the work of preserving objects in the social and cultural sphere and of transferring them from the balance sheet of enterprises to the jurisdiction of the city and rayon administrations.

5.10. To monitor the preservation of the area of specialization in the operation of privatized enterprises of trade, public nutrition, and personal services.

5.11. To guarantee the organizing of the recreation and recuperation of children and adolescents during school vacations, including on a gratis basis for children with

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developmental problems, orphan children, children who are in foster homes, and children from families with a large number of children.

Employers are:

5.12. In collective contracts to stipulate:

— the preservation for workers in privatized enterprises of the social guarantees established by branch tariff agreements;

— the deduction of monetary means for payment to the trade-union committees in an amount of no less than 0.15 percent of the payment of labor for organizing carrying out mass cultural and physical-culture work;

— the allocation of funds to maintain the social sphere (of the city or rayon), subsidies for nutrition, the acquisition of housing, additional payments for children's preschool institutions for workers, as well as ritual services;

— the preservation and improvement of workers' nutrition.

The trade unions are:

5.13. To strive, by means of collective contracts, to preserve at the privatized enterprises the benefits and social guarantees for the workers which were established prior to privatization.

5.14. To define the measures to preserve and improve workers' nutrition at the enterprises.

5.15. To introduce at the oblast Legislative Assembly a recommendation to abolish the following taxes that were established by it: the tax for the needs of educational institutions and the transportation tax payable by trade-union organizations; and to establish preferential tariffs for heat, electric energy, and utilities for sports structures, the Palace of Culture of Trade Unions, medical-sanitation and resort institutions, children's recuperation camps, oblast higher educational institutions, and enterprises that employ the labor of disabled individuals.

Article VI. In the sphere of development of the system of social partnership

The Parties in the social partnership are:

6.1. To continue the practice of making decisions dealing with questions of social and labor relations after their preliminary discussion at a session of the oblast trilateral commission on regulating social and labor relations.

To recommend to the city rayon administrations the extension of a similar practice on their territories.

6.2. To deem it to be necessary:

— to regulate the labor relations at enterprises, irrespective of their organizational-legal form or type of activity, in addition to the individual labor contract by a collective contract;

— to carry out promptly the informational registration of the collective contracts and special agreements at agencies involved with labor;

— to observe the rights and guarantees of trade-union activity, to guarantee the conditions for the legal activity of trade unions and their elected agencies, and not to hinder the functioning of the trade unions at enterprises, irrespective of their organizational-legal form or type of ownership;

— to preserve the existing procedure for maintaining the trade-union fees in noncash form with the written consent of the members of the appropriate trade union on the basis of collective contracts and agreements, and to transfer the trade-union fees promptly to the elected trade-union agencies.

Article VII. Actions of the oblast trilateral agreement, guaranteeing the monitoring of the rate of is fulfillment, and the responsibility borne by the Parties

7.1. This agreement goes into effect at the moment of its signing by the Parties in the social partnership and is in effect until the concluding of a new agreement.

7.2. The Parties have agreed to publish the agreement in the VOSTOCHNO-SIBERSKAYA PRAVDA newspaper, and to make its contents known to all the enterprises, institutions, and organizations on behalf of which it was signed.

7.3. The Parties, in conformity with legislation of the Russian Federation, bear the responsibility for any refusal to participate in negotiations, for nonfulfillment or the improper fulfillment of the obligations that are imposed on them by this agreement.

In the event of nonfulfillment of the obligations for reasons that are deemed by the Parties to be valid, the Parties take additional coordinated steps to guarantee the fulfillment of the obligations.

7.4. Monitoring of the rate of fulfillment of the agreement is carried out in conformity with RF Law "Collective Contracts and Agreements" and the statutes governing the oblast trilateral commission for regulating social and labor relations.

The population is informed about the rate of its fulfillment by way of the mass media.

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7.5. Within one month after the signing of the trilateral agreement, each of the Parties is to develop a series of measures necessary to implement the obligations that have been assumed, and to submit it to the secretariat of the oblast trilateral commission on regulating social and labor relations.

7.6. In development of the trilateral agreement, it is possible to develop appendices and protocol that make it more concrete and that are an inseparable part of the agreement after acceptance by the oblast trilateral commission on regulating social and labor relations.

7.7. Amendments and additions to the oblast trilateral agreement are made by mutual consent of the Parties in the procedure established by legislation that is in effect.

7.8. All the statutes and conditions in this agreement are guaranteed by the Parties participating in the signing of it in a mandatory procedure, unless otherwise stipulated in the appendices and protocols that are included in the agreement as an inseparable part of it.

This agreement was signed by the following:

From the oblast administration: V. Yakovenko, first deputy oblast administration head;

From the oblast trade-union associations: M. Khorolskiy, chairman of the Oblast Trade-Union Council;

From the associations of employers: F. Seredyuk, president of the Oblast Union of Industrialists and Employers;

A. Tsekalo, president of the Oblast Union of Lumbermen;

A. Peretolchin, chairman of the Agrarian Union of Irkutsk Oblast.

***Samara Oblast Our Home Movement Formed**

954F3049B Samara SAMARSKIYE IZVESTIYA in Russian 5 May 95 p 2

[Report by M.N.: "Russia Is Our Home"]

[FBIS Translated Text] "I want to create a strong election movement to deny any extremists an opportunity of victory at the elections and to have a chance after 12 December to form an efficient government relying on a majority in the Duma" is how Russian Premier Viktor Chernomyrdin explained his step into "open" politics. Samara Governor Konstantin Titov is Viktor Chernomyrdin's deputy in his new "office"—leader of the center-right election association—together with Oleg Soskovets (this has already been reported by SAMARSKIYE IZVESTIYA).

Titov and also a group of prominent Samara industrialists, entrepreneurs, politicians, leaders of power structures, and deputies of the State and provincial dumas are members of the organizing committee of the regional organization of the new social movement. In order to portray the level, I believe that it is sufficient to name the presidium of the constituent assembly. Alongside the governor were Vladimir Kadannikov, general director of the Volga Auto Works, Vladimir Sharapov, director of the oblast Diagnostic Center, and Vyacheslav Avtayev, president of the Samara Stock Exchange.

The formation of the new large-scale Russia Is Our Home movement, according to K.A. Titov, is the correct decision in the situation of the election struggle which has in practice begun. Elections could, of course, in view of the difficulties of the formation of statehood and the new economy, have been abandoned. But this would have been an abandonment of the constitution, of democracy, also. We have to conduct elections, therefore, but competently and intelligently. Extremism and unbridled populism would not give our society what it today needs most—stability and the evolutionary entry into the market economy. No barricades are needed!

The governor expressed the hope that the new social movement would be supported by all social groups. That the leaders of the power structures, more, of all others, perhaps, who sense how important a competent, level-headed legislature is for the reforms, will not remain aloof either. That parties and blocs of a moderate-liberal persuasion and a center-right orientation supporting economic reform will join the Russia Is Our Home movement.

Supporting K. Titov in his call for a unification of efforts to promote to elective office sober-minded politicians and pragmatic economists, V. Sharapov, deputy chairman of the Russian Social Democracy Party, I. Shvidak, general director of the Samarskiy podshipnikovyy zavod joint-stock company, V. Avtayev, president of the Stock Exchange, and others emphasized the timeliness of the creation of the new election association.

V. Mokryy, deputy chief of the oblast administration, commented on the draft rules of the all-Russia social movement, pointing to a number of provisions which are in need of amendment and revision.

The constituent assembly approved this draft, in the main. And also elected the steering body of the regional organization of the Russia Is Our Home all-Russia social movement. V. Sharapov is chairman, V. Avtayev, deputy, and S. Yurin, secretary. The following delegates, in accordance with the quota, were elected to the congress: V. Mokryy, V. Sharapov, and I. Shvidak. K. Titov and V. Kadannikov will take part in the congress as participants in the movement's organizing committee outside of the quota. It was decided to request an

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enlargement of the quota in order that two further delegates from the regional organization—G. Zvyagin, general director of the Samaratransgaz joint-stock company, and T. Stukolova, chairman of the oblast Committee for the Family and Mother and Child—might attend the congress.

***Lukyanov Rates 'Our Home' Election Chances**

954F3083A Smolensk RABOCHIY PUT in Russian 14 Jul 95 p 2

[Article by I. Krasnovskiy: "Anatoliy Lukyanov: Don't Put a Halo on Chernomyrdin"]

[FBIS Translated Text] Surveys show that the popularity rating of the Our Home Is Russia electoral bloc is not very high as yet. Five to six percent of the electorate is prepared to vote for it. As they say, people have never had a great deal of sympathy for the "government party," said State Duma Deputy A.I. Lukyanov in response to our question as to the chances of the Our Home Is Russia bloc in the upcoming elections.

At a press conference early this week in Smolensk, Anatoliy Lukyanov spoke primarily about the specific problems facing the voters of his district and about the upcoming elections. Responding to those who assert that the movement led by Prime Minister Chernomyrdin will bring long-awaited stability to Russia, since it consists largely of "red directors" and chief administrators who have already succeeded in getting everything they can from power and are now interested in preserving what they have, A.I. Lukyanov recalled the words of the well-known journalist A. Minkin at MOSKOVSKIY KOMSOMOLETS: "We need to let them finish stealing." On the contrary, the unchecked capitalism that the current government, Gazprom, and other concerns are introducing in Russia, in the deputy's opinion, will lead Russia away from that long-awaited stability. By the end of the year, 60 million people in Russia will be living below the poverty line.

Speaking about Prime Minister Chernomyrdin's actions during the Budennovsk tragedy, Anatoliy Lukyanov said that people shouldn't put a halo on Viktor Stepanovich as a man who cares about ordinary citizens. For perhaps the first time in many years, A.I. Lukyanov had some positive things to say about Gorbachev, stressing that when the Spitak disaster occurred, Mikhail Sergeyevich immediately cut short his visit to the United States. And Nikolay Ivanovich Ryzhkov, without requesting any permission from the Politburo or the general secretary, rushed off to Chernobyl, receiving a significant dose of radiation there. It is the duty of the country's top leaders to be at the epicenter of disaster, not wait three days to see how things work out.

Anatoliy Ivanovich agrees that Russia now faces a real threat of a wave of terrorism of the most varied kinds. Nevertheless, he is not inclined to reject the fears of those who think that the government could use efforts to combat terrorism as a pretext to use force against its opponents in some fashion.

Since many voters are currently concerned about the situation with respect to the Savings Bank in the wake of the State Duma's adoption of the Law on the Central Bank, journalists put that question to A.I. Lukyanov. He reported that there is a draft law on changes in legislation on the banking system. The Communist faction will seek to uphold the interests of Savings Bank depositors and will not allow a controlling block of shares in the bank in which two-thirds of the country's population keep their meager savings to wind up in the hands of private individuals who are not subject to any state control.

Anatoliy Ivanovich also responded to criticism from his opponents to the effect that he is unfamiliar with the specific problems facing Smolensk residents. It turns out that he has on a number of occasions held serious negotiations with the oblast chief administrator, executives of the fuel and energy complex, and ministers on the question of the hot water system in Smolensk. Anatoliy Ivanovich said that the question of imposing a legislative ban on manipulating energy prices in instances in which public services are involved has now been raised in the Duma.

***Politician Assesses Smolensk 'Our Home' Movement**

954F3083B Smolensk RABOCHIY PUT in Russian 19 Jul 95 p 2

[Politicians interviewed by P. Privalov: "Political Diary: Our Home Is Russia, But There Is No Peace in It"]

[FBIS Translated Text] The local news media have provided extensive coverage of the founding of the Smolensk regional organization of the sociopolitical movement known as Our Home Is Russia. The organization will henceforth celebrate its birthday on 1 July, and it will be led by the oblast chief administrator himself. In an appeal to the people of Smolensk Oblast, the delegates to the founding conference call on everyone, "regardless of their political beliefs and social position, to join the movement, combine forces, and participate in the upcoming elections as a united front."

Quite naturally, the creation of the new movement and its calls have not gone unheard. True, not all the people who have written letters to the editors are prepared to march with Our Home to the upcoming elections. For

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example, here is what reader Ryabikova (she did not give her initials) of Yartsev wrote:

"This movement was organized by people who live the way people should live. They have work and are well off, they dress well, they eat well, and they are able to vacation in the Canary Islands and so on. They promise a good and tranquil life to us, the unemployed and poor. But promises are a fool's joy. You create a good life for us, and then you won't have to create any blocs, we'll vote for you. At least make things the way they were under the 'bad' Communists. You gentlemen in power: As soon as you give us the kind of decent life you've made for yourselves, I'll vote for you. But in the meantime I'm going to vote for the Communists. It's going to be a long time before things get better than they used to be."

This reader, like many other critics of Our Home, may not be very knowledgeable about politics. And indeed, she probably isn't. For this reason, we asked some people who are knowledgeable to comment on this notable event for our oblast and the country. Here are their opinions:

G. Golovin, member of the council of the Smolensk Oblast organization of Russia's Democratic Choice (RDC): "There is nothing seditious about the idea per se of such an electoral bloc. The government and the regional administrations want to create something like a governing party. Our assessment is that the government, for all its mistakes, for which it must be criticized, is on the whole pursuing a policy that promotes reforms and is helping the country emerge from crisis.

"There are regions in Russia in which the activities of chief administrators serve the cause of reforms, and in such regions RDC members are fully justified in joining Our Home. But here we have a paradoxical situation in which members of the opposition have joined the new movement's leadership. The result could be that in Smolensk Oblast, opponents of the government could become candidates from Our Home. The center is unaware of the situation in the provinces."

S. Margolina, deputy chairman of the Smolensk Oblast organization of the Democratic Party of Russia (DPR): "It is clearly too soon to offer an assessment of the activities of Our Home: It has yet to show what it can do. However, one can already see that some people view the movement as a former CPSU oblast committee. I'm afraid that soon not even a school principal will feel right until he becomes a member of Our Home. We know of instances in which people have gone to the movement's officials with requests for help in fixing their roof, getting running water, and so on.

"We have no fundamental objections to the creation of such a movement, but fears that it could turn into a state structure under the banner of a public organization are valid. I would hate to see a situation in which the movement is supported by the taxpayers. They already support enough bureaucrats."

S. Zhamoydo, coordinator of the Smolensk regional organization of the Liberal Democratic Party of Russia: "The creation of the movement is a normal phenomenon, but the fact that administration officials are becoming members of its leadership is a violation of current legislation. The oblast Duma, in a decision adopted on 6 July, called the attention of the chief administrator to the fact that officials of oblast and rayon administrations are not allowed to be members of the executive bodies of registered political and public organizations, and its advises A. Glushenkov and other officials to step down from the leadership of the Our Home Is Russia movement.

"I think that in a political sense, the fate of Civic Union awaits the movement, and it will have to fight not to win the elections, but to overcome the five-percent barrier for representation in the State Duma."

V. Karasev, chairman of the Smolensk City Committee of the Communist Party of the Russian Federation: "The founding of Our Home is unconstitutional, as noted by the oblast Duma. Incidentally, our administrators were perfectly aware of this even without that decision. Some chief administrators categorically refused to become members of the new movement but were forced to join. It's no accident that Chernomyrdin's brainchild has promptly been christened 'Our Home Is Gazprom.' At its very conception the 'sociopolitical movement' openly used Gazprom's offices and communications.

"The purpose of the creation of Our Home is clear: Incumbent officials want to remain in power, so as to avoid paying for broken chamber-pots. Its officials are also engaged in various intrigues: Many of them have undergone quite a metamorphosis in order to keep their places at the feeding trough or gain access to it. Nevertheless, the ever-growing amounts of money that have being deposited in certain accounts to finance the election campaign will be to no avail, in my opinion. We are confident of victory. People are so dissatisfied. Yes, they remain silent, but I cannot agree that they are passive. They will not support Our Home because its leaders have already shown what they are capable of."

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***Smolensk Oblast Industrial Production Decline Continues**

954F3086A Smolensk RABOCHIY PUT in Russian 19 Jul 95 p 1

[Article by Oblast Statistics Committee: "Production Decline Continues, Having Exceeded 50 Percent in Light Industry in June"]

[FBIS Translated Text] Industry in the oblast produced output (work or services) valued at 2.5236 billion rubles in current prices in January-June 1995. Sadly enough, the industrial slump in our oblast has not ended. The June production volume was only 92 percent of the level for the same month of 1994.

Oblast enterprises produced 16.9 percent more output than in May. That is of course encouraging, but it can hardly serve as grounds for any serious conclusions. After all, May is the month with the most "holidays" and hence the fewest workdays.

The index of industrial output physical volume in January-June 1995 was 86.6 percent of the level achieved in the same period last year. But there are sectors in which production levels exceed last year's figures—such as the fuel industry (by 10 percent), ferrous metallurgy (by 29 percent), the chemical industry (by six percent), and the building materials industry (by five percent). The State Statistics Committee considers the rate of decline in the electric power industry (eight percent) to be relatively insignificant; the same is true of metallurgy (five percent) and the food industry (12 percent).

Light industry, on account of the grave financial position of its enterprises, limited demand, and relatively uncompetitive products, continued to record an intensive decline in production volumes. The decline exceeded 50 percent.

Production of such products as heavy electrical machinery, lamps, building brick, knitwear, and refrigerators increased by 31 to 63 percent in June in comparison with May of this year. At the same time, the production of every second primary product manufactured at the oblast's enterprises declined in comparison with June of last year.

***Smolensk Oblast Average Wages Detailed**

954F3086B Smolensk RABOCHIY PUT in Russian 22 Jul 95 p 1

[Article by V. Krupenkin: "Agricultural Workers Have the Lowest Wages and Do Not Receive Them on Time"]

[FBIS Translated Text] There's no denying that many of us follow the behavior of our faithful ruble on the Moscow Currency Exchange with all but bated breath. And however we might put down and curse our wooden currency, we still feel much better when we have those cherished bills in our pockets. As a gypsy song puts it, "life is bad without money, no good at all." And so you will agree that the more rubles we have in our wallets, "the better and happier our lives."

Just how good and happy are the lives of Smolensk Oblast residents? Last year the average monthly wage of an establishment employee in our oblast was 155,000 rubles. The figure was 240,000 rubles in January through May of this year, and 280,000 rubles in May. I submit that this is not the lowest figure among our neighboring oblasts.

The wages of employees in material production were higher in January-May than those of workers in the nonproduction sphere—241,000 and 221,000 rubles per month, respectively. At the same time, the average monthly wages of employees in the housing and municipal services sector and in nonproduction types of consumer services that are classified as pertaining to the nonproduction sphere were 269,000 rubles in the first five months, compared to 323,000 in May.

Among material production workers, the lowest wages in January-May were to be found in agriculture, at 124,000 rules, while the highest wages were in transportation (409,000 rubles) and in material and equipment supply (372,000). In the nonproduction sphere, the highest wages were earned by employees in the credit and insurance sectors—533,000 rubles per month (including bank employees, at 671,000). The lowest wages were earned by people working in culture and the arts, whose average monthly wages in January-May inclusive did not exceed 141,000 rubles. Not far ahead of them were sports, social security, and education (169,000 rubles), and also research and science education (193,000).

The average monthly "salary" of state administration employees for the first five months of this year was 275,000 rubles. We should also add that average wages in material production in May exceeded the April figure by 18 percent, and in the nonproduction sphere by six percent (the increase for the oblast as a whole was 11 percent).

An analysis of Smolensk oblast residents' wages at the sector level reveals no major surprises. It is true that where industry is concerned, those who might think that the highest wages were earned by employees of the Kristall Production Association, which produces diamonds, will be mistaken. The average monthly wage at Kristall in January-May was 462,000 rubles, while our electric power industry workers earned 573,000

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rubles. Some Smolensk construction organizations also had wages higher than those at Kristall. Moreover, there is one enterprise in the oblast where average wages in May were twice the Kristall figure. And that enterprise is located not in the oblast center, but in a remote rayon. (And you are again mistaken, dear reader, if you think it is the Smolensk Nuclear Power Plant).

In agriculture, judging from wages, geographical location has virtually no effect on enterprises' financial positions. For example, workers in our northern areas, such as in Velizh and Kholm-Zhirkovskiy, who used to be employed on state farms earned 80,000 and 218,000 rubles in May, respectively, while in the south, in Pochinok and Shumyachi, for example, the corresponding figures are 149,000 and 109,000 rubles. The breakdown is approximately the same for employees of former collective farms.

Our legislators decided to increase the minimum wage as of 1 August. It would be wonderful if the wage increase were to be accompanied by retail prices that remain constant. But can this be achieved in a country in which the production slump is continuing and customs tariffs on imported goods are rising? However, Russia does not lend itself to logical analysis. For it turns out that despite all our financial and economic ups and downs, we can maintain the ruble-dollar exchange rate within a range our government deems necessary! And so God grant that as the guaranteed minimum increases, life for all of us does not grow worse but, on the contrary, gets better.

***Kaliningrad Faces Demographic Crisis**

954F3086C Smolensk RABOCHIY PUT in Russian 18 Jul 95 p 1

[RIA Novosti report: "Demographic Crisis"]

[FBIS Translated Text] Kaliningrad—The oblast statistics committee has published data on the unfavorable demographic situation in Kaliningrad Oblast. The birthrate there has fallen by almost 25 percent in the four years, while the mortality rate has increased by more than 50 percent. Last year nearly 40 percent of all deaths were among people of working age. Accidents, poisonings, and injuries were the cause of 47.9 percent of all deaths among men of working age and of 39.8 percent of all deaths among women of working age.

In terms of premature death, the oblast exceeds the figures for Western Europe, the United States, and Japan by 150 percent to 300 percent and is a leader in our own country, as its index is higher than the average figure for Russia as a whole. Demographers fear that these negative trends will continue throughout the current decade at the very least.

***Decree on Public Housing Payments**

954F2958A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 31 Jul 95 p 3

["Decree No. 670 of the Mayor of Novosibirsk Dated 7 March 1995: On Payments for Housing and Municipal Services"]

[FBIS Translated Text] In connection with higher heat and electric power rates, the rising material cost of maintaining the housing stock, and the considerable increase in the minimum wage and pensions since 1 May 1995; and in carrying out Directive No. 909-r of the Novosibirsk Oblast Administration, dated 12/28/94, setting at 40 percent of actual cost the 1995 share citizens pay out-of-pocket for maintenance and repair of housing costs and municipal services; and in keeping with Point 4 of the mayor's decree No. 32, dated 01/19/95, which envisages adjusting housing and municipal service rates in keeping with rises in inflation,

I DECREE:

1. The rates of the population's payments for current maintenance of housing, garbage collection, technical maintenance of elevators, and clean-up of house-adjacent areas and entrances shall remain unchanged.

To cover the costs of increased expenditures on this line item, increased financing from the city budget shall be envisaged.

The rates for population's payments for housing and municipal services as per attached Appendix 1 are hereby approved and shall be effective as of 1 July 1995.

These rates will keep the citizens' contributed share on average within 25 percent of the actual costs of housing maintenance and municipal services.

These rates shall be applied to payments made by citizens living in rental dwellings and privatizing apartments in the housing stock regardless of form of ownership, including residential housing, specialized housing (dormitories, temporary housing stock, special housing for the single elderly, and others), as well as cooperative housing, jointly owned housing (condominiums), and privately owned homes.

2. Rates for services of housing and municipal service system enterprises for housing stock maintenance are hereby approved and shall be effective as of 1 July 1995 as per attached Appendix 2.

3. For the purpose of supporting the socially unprotected population strata:

3.1. Discounts on payments for housing and municipal services shall remain in force for all categories of

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citizens who are eligible for them in keeping with Russian Federation [RF] legislation.

3.2. Discounts on payments for housing and municipal services shall remain in force for all categories of citizens who are eligible for them as distinguished donors of the RF and the USSR, as set forth in the mayor's decree No. 32, dated 01/19/95, and those eligible as distinguished workers of the RF and the USSR, as set forth in the mayor's decree No. 372, dated 04/05/95.

3.3. Effective 1 July 1995 discounts on payments for current maintenance of housing, heating, hot and cold water, and sewerage shall be set in the amount of 50 percent of the rates set for the population (calculated on the basis of the social norm of 18 square meters of total space for persons living in separate apartments, the norm of 12 sq. m of living space for those living in communal apartments, and 6 sq. m of living space for those living in dormitories) for the following categories of citizens:

—nonworking persons receiving old-age pensions and living alone and nonworking elderly persons receiving pensions on the basis of loss of the provider, receiving pensions (counting compensations) of up to three minimum pensions inclusively;

—nonworking persons with category I and II disability (including disabled children), who receive pensions (excluding compensations and additional care maintenance payments) of up to three and a half minimum pensions inclusively (this does not cover family members);

—nonworking persons receiving old-age pensions, who provide support for dependent children under 16 (students—under 18). Both the guardian and the dependent are eligible for the subsidy.

3.4. Effective 1 July 1995, discounts from payments for current maintenance of housing, heating, hot and cold water, and sewerage shall be set in the amount of 20 percent of the rates set for the population (calculated on the basis of the social norm of 18 sq. m of total space for persons living in separate apartments, the norm of 12 sq. m of living space for those living in communal apartments, and 6 sq. m of living space for those living in dormitories) for nonworking persons with category III disability, receiving the base pension (counting compensations) of up to three minimum pensions inclusively (this does not cover family members).

3.5. For the second half of 1995, the maximum share of citizens' out-of-pocket expenditures on payments for housing and municipal services within the limits of the social norm of the living space shall be set at 10 percent of the family's aggregate income.

3.6. The procedures and time frame for rayon administrations to consider citizens' applications requesting compensation (subsidies) for payment of housing and municipal services shall remain in effect as set forth by the mayor's decree No. 32, dated 01/19/95.

3.7. Rayon administrations lacking the means to subsidize discounts and compensations for payment of housing and municipal services are to submit to the mayoralty's committee on economics no later than 20 days before the beginning of the next quarter the necessary calculations for their financing from the city budget.

4. Taking into account the continuing production decline and low level of citizens' income, and for the purpose of maintaining unchanged until the end of 1995 the share of the population's out-of-pocket expenses on housing and municipal services, heads of the mayoralty departments, administrations, and committees, as well as heads of rayon administrations, shall redouble their efforts in finding additional means for maintenance of the city's housing stock.

5. This decree shall be submitted for approval to the city Deputy Assembly.

6. Deputy Mayor N.A. Terekhov and heads of city rayon administrations are hereby tasked with monitoring implementation of this decree.

[Signed] Mayor of Novosibirsk V.A. Tolokonskiy

Appendix 1

Rates for Housing and Municipal Services for the Population			
No.	Service category	Measurement unit	Rate (rubles/month)
1.	Current maintenance of housing:		
	Group I—no conveniences	sq. m. of total area	202

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Rates for Housing and Municipal Services for the Population			
	Group II—no conveniences, more than 70 percent wear and tear	-"-	84
	Group III—conveniences, no elevator or trash chute*)	-"-	255
2.	Heating**)	sq. m. of total area	362
3.	Hot water	per person	4,500
3.1.	Hot water in building without bathtubs or showers	-"-	3,756
4.	Cold water and sewerage in buildings with bathtubs and showers	-"-	1,800
4.1.	Cold water and sewerage in buildings with hot water supply without bathtubs	-"-	1,186
4.2.	Cold water and sewerage in buildings without hot water supply and bathtubs	-"-	572
4.3.	Cold water in buildings without sewerage	-"-	104
4.4.	Cold water from street hydrants	-"-	75

Notes:

*) The following coefficients are applied to maintenance of housing in category III buildings:

By wall durability:

1.0—for prefabricated concrete panel buildings,

1.1—for brick buildings,

0.9—for wooden, prefabricated wood-panel, filled-frame, and other light structures.

By floor plan (the ratio between the apartment's total area and living area):

1.0—up to 1.57 inclusive,

1.1—from 1.57 to 2.0 inclusive,

1.3—more than 2.0.

By the building's physical wear and tear (period of exploitation between the time the building was commissioned and capital repairs, or between capital repairs):

1.0—up to 25 years inclusive,

0.9—from 25 to 50 years inclusive,

0.8—more than 50 years.

By the extent of technical equipment in the building:

1.0—no elevator, trash chute, or automatic fire protection devices,

1.1—working elevator,

1.1—working trash chute,

1.1—working fire protection devices.

For reference: The allowable schedule of preventive inspection and current maintenance of elevators—three days every month.

**) The following coefficients are applied to the heating rate:

1.0—with ceiling height of 2.7 m inclusive,

1.1—from 2.7 to 3.0 m inclusive,

1.3—more than 3 m.

[Signed] Administrator of Affairs V.P. Sysoyev.

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Appendix 2

Rates for Building Maintenance Services Provided by Housing and Municipal Service Enterprises			
No.	Service category	Measurement unit	Rate (rubles/month)
1.	Current maintenance of housing:		
	Group I—no conveniences	sq. m. of total area	887
	Group II—no conveniences, more than 70 percent wear and tear	-"-	887
	Group III—conveniences, no elevator or trash chute	-"-	1,113
	Group IV—conveniences, elevator or trash chute	-"-	1,319
2.	Heating*)	sq. m. of total area	905
3.	Hot water	per person	13,698
4.	Heating and hot water for cooperative housing and privately owned homes	1 Gcal	13,505
5.	Cold water and sewerage	per person	4,305
6.	Cold water	1 cubic m	235
7. Sewerage	1 cubic m	197	

Note: *) The following coefficients are applied to the heating rate:

1.0—with ceiling height of 2.7 m inclusive,

1.1—from 2.7 to 3.0 m inclusive,

1.3—more than 3 m.

[Signed] Administrator of Affairs V.P. Sysoyev.

***Living Conditions of Chechen Refugees Near Tver Described**

954F2959A Moscow MOSKOVSKIY KOMSOMOLETS in Russian 22 Jul 95 p 2

[Article by Yekaterina Deyeva: "The Pits. 75,000 Refugees from Chechnya—People Without a Future"]

[FBIS Translated Text] **My home is my fortress. The fortress walls are being built pebble by pebble. Children's drawings, shells papa brought home from a business trip, the parquet blocks under which I made a "secret hiding place," the old armchair, the drawings on the wallpaper which were familiar down to the last curlicue. No matter what happened behind these walls—as long as they were standing—I could get through any disaster behind them. As long as....**

Today, when there are all kinds of discussions about negotiations in Groznyy, the people, tired of politics, are switching their television sets to football. But still thousands of people in Central Russia are following the news with sinking hearts. Those who lost their homes and their relatives and all of their past life in Chechnya.

These people are refugees.

On the Old New Year the soldiers fired from their automatic weapons. I shuddered from the strangeness of it. The people who were crawling out of the trucks into the thick mud did not notice the shots: For them, who had spent a month in basements in Groznyy, Mozdok was a quiet and peaceful place.

The way out of Chechnya had been a road of salvation for them. And a road into the unknown. Drowning in the flood of refugees, the migration services suggested: You have relatives—go to them. No—we will go to the centers for temporary housing in Russia. The most lost,

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the most helpless agreed to the latter. Two minutes of explanation and a person with a meager (10,000 rubles [R]) stipend and orders in his hand would be waiting in line at the train station to obtain a free ticket to Saratov, Novgorod, or Tver.

That was the beginning of the path.

How are the refugees from Chechnya living now (or, according to the official wording, the temporary resettlers, for they have not crossed the border: from Russia—to Russia) in the Russian hinterland—few of them can be seen in Moscow. To get to the temporary placement center that is closest to the capital, the one in Tver Oblast, takes five hours of driving. Filled with pride in his city and his new "little Zhiguli" a state police inspector from Torzhok called the "refugee" locations "the pits."

Tears for Zhirinovskiy

There does not seem to be anything lupine in the Serebreniki rest home. The location is extremely beautiful: a river, pine and birch forests, and air you can breathe. An all-Union health resort was located here previously. An inspiring monument to Kirov reminds one of these good old days. But the stone markers in front of his boots became overgrown with tender grass long ago: Three years ago Serebreniki was purchased by the Federal Migration Service. Chechen refugees began to come here in January. And what Chechen refugees they were! The majority of the 84 people were Russian. There was only one Chechen family. There were also Armenians and Tatars and Chuvash. All of them from Groznyy.

Dinner time. For dinner there is soup with raw onions, chicken, rice, and compote. There are three aging women at the table.

Anna Ivanovna is a war veteran. She taught Russian and literature in Groznyy. She left an immense library there; she took only her notebook and clothing. She has a son in St. Petersburg which she calls by the unfashionable name of Leningrad. But she cannot live with her son: They already have eight people in three rooms (his bride's family fled from Turkmenistan). Anna Ivanovna dreams of Groznyy: She moved there with her husband in 1956. But how can a person return when there is no running water in the home of a person categorized in the second disability group....

Anna Ivanovna, as a veteran, is the only one of all the refugees in Tver Oblast who was placed on the waiting list for housing. Nobody knows how long this list is. It takes Anna Ivanovna an hour on the bus to get to her doctor. For some reason prescriptions for free medicine are not written—she spends all of her pension on them. Anna Ivanovna spends entire days reading. She was going to read "St. Petersburg Slums." She leafed through it and started: "About such poor devils as we." Now she is reading Dumas pere.

Valeriya Ivanovna worked in Groznyy at a chemical combine. She had gone on pension; it is good that she managed to get her documents out of her burning apartment. She is sorry about the burning of the old birth certificates which showed that Valeriya Ivanovna's ancestors settled in Groznyy when it was still a Russian fortress. Valeriya Ivanovna brought to Serebreniki what she wore on her back. She is thankful that through humanitarian aid she received a woolen coat and a light raincoat. Not from here, they were imported, apparently sent by sympathetic foreigners. But there were problems with footwear: After all, people do not let go of new footwear, and used footwear falls apart right away. Winter boots were worn out in a month and summer sneakers had to be patched up every day. Lyudmila Yevgenyevna considers Valeriya Ivanovna to be lucky. She is alone. But she, Lyudmila Yevgenyevna, has a son in Moscow, in the hospital. In Groznyy he had been hit by a door that flew off during an explosion. And they sent him to the capital: The local Aesculapiuses did not promise that he would recover. She followed her child and spent all the money she had getting there. But where could she go in Moscow: She wanted to go to the Federal Migration Service—they would not even listen to her. There is no room for refugees in the capital even though your in-laws may be there, or your brother or your wounded child. Lyudmila Yevgenyevna recalls with tears the head physician of the hospital where her son was kept. Because she was permitted to spend the night. She recalls Zhirinovskiy with tears as well. Quite desperate, Lyudmila Yevgenyevna went to the Duma to fall at the feet of the people's elect. The only one who paid any attention to her was the deputy from the LDPR [Liberal Democratic Party of Russia]. He invited her into his office, gave her tea, and called the Moscow Migration Service. They sent her to Serebreniki.

Lyudmila Yevgenyevna is ashamed to take the electric commuter trains to see her son without a ticket. There are inspectors who understand, but there are also nasty ones. But what can she do—she has no money at all. In Groznyy Lyudmila Yevgenyevna was in charge of the railroad station. With respect to her length of service, 50 years, she was just about to go on a pension. Now all of her pension documents have been lost and her work tenure has been interrupted. She has to work another five years before receiving a pension. But where?

Lyudmila Yevgenyevna is categorically unwilling to return to Groznyy. Like the majority of refugees (according to a sociological poll—80 percent). Even those who still have a place to live. If a child burns himself with

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matches, you put them out of sight. Where can you hide an entire city where such sorrow has been experienced? And where are the green bandages of the holy war surrounded by heroic romanticism when human life depends on the moods of the OMON [special-purpose militia detachment] members?...

And working in Tver Oblast is a disaster. Many of the people from Groznyy who are living in Serebreniki are "oil workers." But there is no oil in Tver. And you cannot get any job without a permanent residency permit. Refugees from Serebreniki receive a temporary one. It is simply a piece of paper to which a passport can be attached or it can also be put away in the nightstand—the effect is the same.

There is a lot of empty space in the furniture in the standard rooms (a dresser, two beds, chairs, a table): Practically nobody has anything left to put in them. The favorite joke of the refugees: "Like tortoises we now carry our homes on our backs." The food given to them in Serebreniki is supposed to be worth 5,000 a day, but this money is never placed in their hands: Either you eat in the dining room or you do not eat at all. The only thing placed in the furniture are jars of raspberries. There was a good crop this year....

Spiders in a Jar

The director of Serebreniki, Anatoliy Vasilyevich Khlopov, has been working in the rest home for 11 years now. He is of the old school: He tries to speak diplomatically, like the French do with Karadzic.

"We used to have more enthusiasm, of course. We received moral satisfaction: We organized recreation for people and gave them incentive to work. Vacationers came from all over the Union. But now we work out of pity. After we were bought by the FMS [Federal Migration Service], Iraqi Kurds lived here for a year and a half. But they were nicer than these....life in the Chechen Republic has ruined these people: They come here and act as though we are to blame for everything. It is impossible to please them. And we do not live in luxury. Our wages are 60,000. I offer them work—as guards, on the grounds. Of course they do not want it. We spend 150,000 a month just to feed them.

"The regimen? Yes our regimen is strict. This is not some kind of bazaar. If you want to leave for awhile, say for a day or two, fill out a notification. We have to know how many of them to remove from the allowance. According to the provisions for residency they must indicate the purpose of the trip and the destination. After all, if they travel to Chechnya—they could have some kind of dangerous meeting or communications. Especially taking into account the events in Budennovsk. And how many of them would bring back something unpleasant, a disease? We are now discussing the question of mandatory medical examination upon arrival. For our common safety.

"They do not get along well with one another either. They have certain groupings and conflicts. People like that have been locked up by the police for several days."

Oh, how well I understand Anatoliy Vasilyevich: To work for so many years in a quiet, peaceful place and suddenly have this drop on your head! You understand, they are always demanding something else, like everybody owes them....

Sergey and Agadzhan are Armenians. One is 19 years old, the other—18. We brought Sergey news from the "civil assistance" committee (essentially the only public organization in Moscow that works with refugees) that his father is alive: The name Shikhramanyan was entered in the April lists for acquiring bread. So far nothing is known about what is happening to Agadzhan's parents.

They fled from Groznyy at the end of December. Agadzhan was with his little brother. For the bus to Sleptsovsk they paid 20,000 each. That was all the money they had. In the Ingush Migration Service in Nalchik they were given money for the bus to Pyatigorsk, from where they went to Stavropol. He left his brother with relatives but there was no place for him. They told him at the local migration service: There is no way you can stay here. Pick out some refugee center. In Astrakhan? Everyone is crowded in Astrakhan. Tver is also impossible (note that even now Serebreniki is barely 20 percent full). Oh, you should go to Perm! Here is a paper for you saying that we are sending you there. They gave him money for a ticket to Moscow—there, they told him, this paper could be used to transfer to Perm. At the Moscow train station they laughed at this paper; thankfully, some kind woman made a call to the FMS. From there they sent him to the Moscow Migration Service. He went back and forth about 15 times: Now for a signature, now for some stamp or other. Finally the hungry boys were sent to Perm. They spent a couple more days—it happened to be New Year—at the Perm Migration Service before they learned that the center for refugees was in the city of Ochor. You have to spend the night before your bus leaves? Go to the Dinamo Hotel and figure out for yourself how to pay for it. Thank God they got on another bus. By morning, after going five kilometers through the snow, they managed to get to Ochor.

The center is a bunch of boxcars behind barbed wire where Germans who were building the gas pipeline used to live long ago.

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"We had not shaved yet. Everyone there looked at us with hatred: They are Chechens... The chief said: You will pay for food! It is free for immigrants, but you are migrants. And since we did not have a kopek we went for three days without eating. We could not stand it here and started shouting that if they do not give us something to eat we would do something. They put us in a dirty carpentry shop where the temperature was about 40 degrees below inside. We lived there for six days and then went back to Perm. Our appearance probably made them feel sorry for us and they sent us to Tver.

"When we arrived here, refugees were not placed in the good building. We lived in the old one, where the floor is tile and the walls have no insulation. They barely gave us any heaters. They would not give one to a woman with two children so that she could be warmer. At that time they fed us on 1,300 rubles a day. We went to the director, and he said: 'Where they put you is where you will live. If you do not like it you can leave.' Of course we began to complain. He called the police. Then all the refugees got together and signed a petition. Only after that were we transferred, and they began to feed us normally. We were like the instigators and so the director hated us. If you agree to work in Serebreniki, he makes you materially liable and then gets rid of you under some pretext. The three of us wanted to organize a woodworking shop here (the third was Valya Parfentyev, a Russian chap with light brown hair)—but it was no use. The director forbade everything. He would not even let us have tools: material assets. We looked for work in the oblast—all to no avail...."

In police complaints, Valya, Sergey, and Agadzhan are called a "group of young extremists." In six months Serebreniki was transformed into snake pit where squabbles and brawls break out. The tormented people fight like spiders in a jar over every little thing: children running in the corridor, the neighbor's new trousers, a careless word. The major disputes are over the distribution of humanitarian aid, that is, clothing. The word "grouping" has become typical: There is the "Armenian grouping," the "grouping of petroleum workers".... There was a comrades' court trial for Sergey and Agadzhan—because of the incident with the television set.

The Tver Universalbank made a sweeping gesture several months ago: It issued every refugee 350,000 in cash. But for some reason this money did not make them particularly happy. For example, the locals descended on them—they promised to leave them alone if the refugees would pay them 100,000 each. A rumor spread throughout the district that they had been given millions....the matter was straightened out only with the help of the Federal Security Service.

Some of them drank up their money—refugees are not angels either. But Sergey and Agadzhan decided to buy a television set with their "material aid." And they wanted to hook it up to the common antenna. The people, who watched the communal TV in the hall, decided that this was creating interference and cut the antenna. In general the entire matter ended up in a comrades' court where everyone spewed out their fury and malice.

'Superfluous People'

But recently one event occurred which united the refugees again: When the women speak about it they all cry in the same way regardless of the fact that they belong to different "groupings." This event was the publication of the "Temporary Statute on Compensatory Payments and Other Social Guarantees" for citizens of Russia who have suffered in Chechnya, which was signed by Mr. Soskovets. It speaks about the main thing—the future of those locked up on "reservations" for temporary resettlers without money or work for the people. The "guests" of Serebreniki had their temporary permits extended until November. What then?

The statute draws a clear distinction between those who will return to Chechnya and those who do not want to return there. Those who agree to return have "prospects" of priority housing (or construction materials for repair), and until it arrives—a guaranteed right to live in Chechen centers and receive compensation. Those who do not want to return were permitted to live in centers on the territory of Russia for six months. They would receive an interest-free loan for construction (its amount now is about 9 million for a family of four, and there is no mention of the allotment of a housing supply in Central Russia). And they would receive the same compensations but at the end of a year. In general, those who remained in Russia would have to solve their problems themselves—and on the pittance which they were (perhaps) granted.

How much value did our state attach to the harm caused to the "temporary resettlers"? For lost property—no more than 10 million per family. For lost housing for those who left Chechnya—no more than 60 million per family for the most preferential categories. One can imagine what would happen to this money if the people could actually receive it—but the decision in each specific case would be made by a special commission which had either been created or had not been created yet under the phantom Chechen national restoration government. Nonmaterial damages are not mentioned at all....

There are many interesting details in the statute. But its essence can be traced clearly: Send the refugees back

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to Groznyy. They need a work force there, they need a Russian "shield" of cannon fodder. In Central Russia nobody needs these "superfluous people" yearning to work. And they are even to blame for the fact that they dare think that the state owes them something besides a simple handout.

Refugees from Chechnya irritate everyone. Among the locals: "What kind of Russians are they, all their blood is mixed up! They have earned millions there...." The local authorities (who have the right to decide whether to issue a permit or not, whether to permit them to work or not): "We do not have enough for ourselves...." The Muscovites: The Moscow Migration Service refuses even to do a simple accounting of refugees who have turned up in Moscow. One woman from Moscow who likes to vacation in Serebreniki complained: "This was such a nice vacation house: Now they have probably messed it all up...."

The slogan "everyone for himself" which helps us to stay afloat more and more frequently encounters the other side: "Nobody is for you." And this could apply to each of us.

From a notice from the "civil assistance" committee:

"As a rule, centers for temporary placement are located in places remote from population points (in Tver, Tambov, and Saratov Oblasts—130 kilometers from the center) or population points with surplus work force (Novgorod, Krasnoarmeysk), which makes the local residents nervous and makes it impossible for them to find work. The isolation increases as a result of the lack of radios, television sets, and newspapers in the temporary placement centers. Local medical institutions refuse to give them full-fledged medical service, to assign them to a dairy kitchen, or to place them in hospitals unless it is an emergency.

"The local authorities refuse to pay pensions and stipends to many people residing in temporary placement centers, saying that they do not have a permanent permit, a labor book, etc.

"On 7 July the civil assistance committee received from the residents of Chechnya housed in the pension in Samara Oblast a telegram which said that they would no longer receive food after the beginning of June. On 9 June a telegram was received from the temporary placement center of the city of Novgorod about a warning hunger strike declared by residents of this center who were demanding from the government an immediate decree with an acceptable decision regarding their fate. The actual number of refugees from Chechnya, according to the committee's figures, is more than 400,000. There are few more than 40,000 of them in Central Russia and the rest are in regions adjacent to Chechnya. About 75,000 people are housed in temporary placement centers...."

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